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Effective 1 June 1987 JPRS reports will have a new cover design and color, and some reports will have a different title and format. Some of the color changes may be implemented earlier if existing supplies of stock are depleted.

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The changes that are of interest to readers of this report are as follows:

The SOUTHEAST ASIA REPORT (SEA) will be titled EAST ASIA/SOUTHEAST ASIA (SEA).

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VIETNAM: TAP CHI CONG SAN (ATC) will be issued as a separate series under EAST ASIA.

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16 JUNE 1987

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SOUTHEAST ASIA

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PACIFIC FORUM OFFERS FIJI AID, NO RECOGNITION

BK301336 Hong Kong AFP in English 1140 GMT 30 May 87

[Text] Apia, 29 May (AFP)--Fiji's Pacific neighbours, including Australia and New Zealand, offered assistance to Fiji at a meeting of the 15-nation South Pacific forum here Friday but specified that the offer did not imply recognition of the island's military regime.

A spokesman for the forum meeting in Apia, the capital of Western Samoa, said late Friday that the non-specific offer of assistance was made in a message sent to Fijian Governor-General Ratu Sir Penaia Ganilau.

Earlier Friday, two ministers of the Fijian Government ousted 14 May in a bloodless military coup tried to sit in the observers' gallery of the forum meeting hall but were politely shown the door.

The ministers said they were seeking a regional military peace-keeping force for Fiji and stressed that none of the forum members had withdrawn recognition from their government. The new Fijian regime chose not to send an official delegation to the forum.

After a day-long meeting which dragged on 3 hours longer than scheduled, indicating intense discussion on the Fijian issue, the group's appointed spokesman, Cook Islands Prime Minister Sir Thomas Davis, told journalists the forum had studiously avoided taking sides.

The offer of assistance, he said, did not imply recognition of any government and the Fijian governor-general was free to pass it on to whom he felt appropriate--Fiji's Council of Chiefs or a council of advisers working alongside coup leader Colonel Sitiveni Rabuka.

Sir Thomas said he did not know when or whether there would be a reply to the message sent Friday but he said that if one arrived Saturday, the forum was prepared to reconvene.

"The time for condemning is over," he said in reference to Col Rabuka's takeover and to reported sharp divisions within the forum itself over what course of action, if any, should be taken in regard to Fiji.

"The time for compassion has come. We felt we ought to take a sympathetic view to the problems they are facing," Sir Thomas added.

Observers in Apia saw the non-committal message, the text of which Sir Thomas refused to divulge, as a partial victory for the so-called Melanesian bloc within the forum, composed of Vanautu, Papua New Guinea and the Solomon Islands, which had urged that Fiji be allowed to solve its own problems and is solidly against any intervention.

Observers said the Fiji problem had strained the conference's position of consensus to the limit but Sir Thomas, who only a few hours earlier had said much remained to be resolved, brushed off suggestions of discord.

He also said that Fiji had been discussed "outside" the official agenda of the meeting, but was unable to say whether the subject would be mentioned in the final communique due to be issued Saturday.

The conference had been scheduled to end at 5 p.m. local time Friday but dragged on for 2 hours before Sir Thomas appeared to brief reporters and at 8 p.m. the heads of state were still locked in discussion.

Other main items agreed on by the group Friday were the inclusion of new member states--Micronesia and the Marshall Islands--and that all 15 nations would continue their efforts individually through the United Nations to try to bring about a solution to the problem of New Caledonia.

The spokesman said that the forum neither supported nor condemned a boycott of the proposed August referendum in Noumea by the Kanak Independence Movement, known as FLNKS, and added that no decision had been taken on whether the FLNKS should be offered observer status at the forum.

Earlier Kanak representative Yann Celene Uregei held a press conference outside the conference hall in which he said he was asking the forum to support the boycott of the referendum on independence for the French territory.

He also said that he was hopeful that the FLNKS would win observer status because the forum had already referred the matter to a special committee.

The soft stands on what were considered the two major issues of the conference--Fiji and New Caledonia--appeared to observers to be in sharp contrast to the forum's united position on a nuclear free zone and in bringing the issue of New Caledonia before the United Nations in December last year.

Earlier Friday, former Fijian Foreign Minister Krishna Dutt, one of the two refused admission to the conference hall, said that the former Fiji Government was considering setting up "an operational headquarters" in Wellington for the ousted government of former Prime Minister Timoci Bavadra.

However, he denied that this would be a government-in-exile and New Zealand Prime Minister David Lange told reporters that, for a provisional government, a quorum would be necessary which was not present.

The day before the meeting opened Mr Dutt distributed a statement calling for a Pacific military peacekeeping force to go to Fiji and for an economic boycott of the country, which is already reported to be suffering food shortages as a result of a strike by Australian and New Zealand longshoremen.

Mr Dutt said that he considered any proposal that a delegation of eminent persons go to Fiji, as suggested by Mr Lange, would be "a compromise."

Sir Thomas said Friday that Fiji had "had enough eminent persons" but did not rule out that some kind of delegation could be sent.

He refused to be drawn out on whether assistance could be economic or involve the taking of Indian refugees should Fiji so wish nor would he say how the offer would bind individual nations.

Calling the message "a sympathetic contact and... very considerately tones," Sir Thomas said: "We've done all the condemning, there are two races there caught in the grip of colonial action in the past... the decision (to offer assistance) was unanimous."

/12232

CSO: 4200/605

VIENTIANE ON CURRENT POLITICS IN THAILAND

BK240505 Vientiane Domestic Service in Lao 1200 GMT 23 May 87

["Talk": "Politics in Thailand"]

[Text] Dear listeners, the Thai mass media in Bangkok continue to vigorously comment on the views of various interest groups and strata on the current political issues in Thailand. The targets of their criticism are His Excellency Prime Minister Prem Tinsulanon and Thai Army Commander in Chief General Chaowalit Yongchaiyut. The person who came out to criticize His Excellency Prem Tinsulanon and General Chaowalit was the rightist-minded Khukrit Pramot. The recently established Revolutionary Council was also one of the targets of criticism.

Many Bangkok newspapers reported that while attacking His Excellency Prime Minister Prem Tinsulanon and Army Commander in Chief General Chaowalit Yongchaiyut, the ultrarightists in the Communist Suppression Operations Command led by the Siwichai group rallied their force to oppose the Revolutionary Council and General Chaowalit Yongchaiyut's peaceful policy. This group of ultrarightists, which was fostering the tendency of violence, had a plan to use General Phichit Kunlawanit to prevent General Chaowalit Yongchaiyut from advancing to taking over more power. As for the opposition party which is mostly composed of capitalists and bankers, it continues to rally public support to oppose the Prem government.

The confused political situation in Thailand has caused public criticism. Politicians and high-level academicians, expressing their opinion over radio and television programs, asked why such a situation has emerged while the Thai economy is good since an unprecedentedly large number of foreign tourists have come to Thailand, thus bringing some billions of baht in revenue to the country, and while Thailand's national security is normal. Some people had the opinion that it was normal for a democratic system in which there are bound to be debatable issues. Some offered the opinion that the current political confusion was caused by the opposition party which is unhappy for failing to join the government. Some said that the people are fed up with their elected parliament members who exchanged their votes for money and who are not concerned about the people's well-being. Taking advantage of the people's loss of confidence in the Parliament, a group of people rallied to

establish the Revolutionary Council in order to create conditions for setting up a national assembly and a national government when an appropriate opportunity arises.

The above situation has confused the conscientious people in Thailand to the extent that they do not know what is right or wrong. So, what is the true nature of the current confusion in Thailand? What is the cause of such a situation?

To this question, a conscientious person would make the observation that the nature of the current political confusion in Thailand is a phenomenon which shows the beginnings of an economic crisis in Thai society. As everyone knows, during the past several years Thailand has been developing in agriculture and industry and has achieved many successes. Yet, these successes have produced negative effects on the Thai economy and society, because agricultural and industrial goods have been produced beyond the domestic purchasing power and because foreign markets for these products are limited, thus causing a great destruction to the local labor and natural resources. As a result, Thailand's national development has not proceeded steadily. The expansion of new jobs has been slowly carried out, causing unemployment.

Some people gave the opinion that the Thai economy is in a good position, that the Thai currency is stable, and that the quality of the Thai people's life has been improved. Though this is true to some extent, it is not entirely true. Why? Based on Thailand's favorable conditions, ~~its~~ economy should have been better; the tempo of its economic development should have been faster to meet the Thai people's needs. What is important is that the increasing national income has not been fairly distributed to the Thai society. The increasing income mainly benefits the owners of banks, factories, plants, companies, and trade enterprises of big capitalists, while the ordinary laboring people in Thailand have nothing new in their life. Moreover, the quality of their life, particularly of those living in the northeastern part of the country, has been further reduced.

The gap in Thai society has caused dissatisfaction among the laboring people with the administrators of their country. This is why there have been demonstrations, such as those staged by the farmers whose products sold for less than their costs of production. For example, 40,000 workers and students demonstrated in Bangkok on the occasion of the past May Day. Various problems, such as robbery, illicit trading, law violations, murder, prostitution, and cheating in every corner of Thai society, have led to confusion--a factor causing the current political confusion in Thailand.

Another important cause of the political instability in Thailand is that while the Thai economy is declining with each passing day, while the number of jobless people is increasing, while social vices have become more serious, and while the people's life is insecure, the government has spent a lot of money to purchase weapons, pursued a hostile policy toward neighboring countries, and used Thai territory as a sanctuary for the exiled Cambodian reactionaries so that they can disturb the tranquillity and happiness of neighboring countries. This is one of the incidents that have caused concern among the Thai people.

Taking advantage of the current reality in Thai society, the opposition party has thrown the blame on the executive branch which, on its part, has counter-attacked using suppression and threats. Some people have also taken advantage of this confusion and the situation in which the Thai people have lost faith in their elected parliament members to rally force to set up the Revolutionary Council with the purpose of winning the people's support prior to moving to take political power. As a result, the existing confused situation has been further aggravated.

There is so far no possible way to end the political confusion in Thailand. Instead, this situation will only become more serious in parallel with the aggravation of the economic crisis of this country. This is due to the fact that the economy, the foundation of this society, is not stable and that the rivalry, a factor ruling a capitalist society, is the major cause of the internal disputes among various interest groups in Thailand. These disputes will lead one group to attack and overthrow another prior to taking over power as has happened in the past history of Thailand. The taking of power by a new group of people does not mean that conflict in Thai society will end completely. It will be only a temporary end. These conflicts and confusion will be renewed in Thai society as long as the laboring people's fundamental interests and rights have not been resolved.

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CSO: 4200/595

FRIENDSHIP AND COOPERATION WITH GDR REVIEWED

BK290415 Vientiane Domestic Service in Lao 0000 GMT 27 May 87

[Feature article: "Effective Friendship and Cooperation"]

[Text] Over the past 11 years, despite various obstacles on the path to socialism, the Lao people, under the leadership of the LPRP with Comrade General Secretary Kaysone Phomvihan as head, have successfully scored great achievements in many fields. At present, the entire Lao party, army, and people are concentrating on implementing the tasks for 1987 as well as for the subsequent years as put forth by the fourth party congress in order to score new achievements for the nation.

The achievements of the Lao people cannot be separated from the support and assistance of the parties, states, and people of various fraternal socialist countries, including the party, state, and people of the GDR which have always fulfilled their proletarian international obligations by rendering support and assistance, both material and spiritual, to the LPDR. Our two parties, states, and peoples have maintained close relations on the basis of communist friendship and solidarity. The treaty of friendship and cooperation signed in 1982 between Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the LPDR Council of Ministers, and Comrade Erich Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the GDR Council of State, marks its fifth anniversary this year--a historic milestone in the expansion of the relations and all-round cooperation between our two countries.

On the basis of this treaty, relations between our two countries have been continuously developed. The cooperation between our two parties is filled with mutual trust. Satisfactory achievements have been scored in the relations in all economic, cultural, social, and other fields. Hundreds of Lao students are studying in the GDR to achieve knowledge and skills in fields sought by our country. Many experts from the GDR have been also performing their socialist international obligations in our country to help train Lao workers. These GDR experts have, for example, been working in the PAK Pasak engineering school, the Vientiane teachers' training college, some senior high schools, and in some economic establishments, such as the coffee planting project in Champassak Province.

On 21 January, the eighth session of the commission for economic, scientific, and technical cooperation between the two countries was held in Vientiane capital. During the session, the past implementation of the contents and spirit of the seventh session of the commission was reviewed. The commission also studied details on the immediate and long-term cooperation plans between the two countries, in particular the second 5-year state plan of the LPDR which is in line with the cooperation and assistance plan of the GDR to the LPDR. This plan includes the expansion of the coffee production in the Bolovens plateau, the production of timber for export, the exchange of goods, and the building of specialized cadres along with the construction of 11 small workshops in Vientiane and Champassak provinces on the basis of mutual benefit and in the spirit of proletarian internationalism of mutual assistance.

One concrete achievement was the recent handover of the mechanical repair workshop and the first phase of the low-voltage network to Champassak Province by the Ministry of District Managed Foodstuffs Industry of the GDR. It is noted that the past implementation of cooperation obligations has been developed satisfactorily and effectively. This has shown the sincerity of the GDR in its relations, cooperation, and mutual assistance with the LPDR. The afore-said achievements in the cooperation between the two countries have brought about satisfaction, and through these achievements, it is firmly believed that the cooperation and mutual assistance between Laos and the GDR on the basis of the principles of Marxism-Leninism and socialist internationalism will certainly be firmly developed in all respects with each passing day.

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CSO: 4200/595

ARTICLES DISCUSS NEW SOCIALIST ECONOMIC BENEFITS

Price Policy

Vientiane PASASON in Lao 17 Mar 87 p 3

[Text] We should first of all understand some of the outstanding features of the administrative subsidy management mechanism. The government is responsible for the fixed capital and for most of the revolving capital for factories, offices and organizations, and also for supplying them with materials, equipment, machinery and spare parts. The government disburses salaries for cadres and government employees based on the level of their knowledge and the specialized task level, and guarantees social welfare for the members of society--for example, training and free medical treatment. The factories must give all of their products, including earnings, expenses for wear and tear, the cost of production vehicles and the cost of the materials used in the service department, to the government to help the central pricing committee in calculate the cost. This is the practice that has been carried out regularly for many years. It is separated from real prices and influenced from the outside world. In this way, the factories are given a set plan by the higher echelons which ensures the supply of materials, equipment, machinery and technical aspects at the lowest prices. The government accepts low-quality products, makes good the losses and receives any profits. While this type of business has been stable throughout the past years, it appears to be somewhat restrictive. Generally speaking, however, there has been nothing that was obviously or really wrong with it. This is because there were still many good features in economic expansion. Generally speaking, all factories have followed the higher echelons. They have been supplied fully, and have handed over their products to the government totally. The way in which the government supplies the factories with materials and equipment on credit, and the factories then give back the products from the production center to the government, has become the outstanding feature of the administrative subsidy management mechanism. By using this technique, the fixed production vehicles or merchandise cannot be priced as they should. The fixed capital means that the money which will set the prices of products, and which is the principal for expenses of the main business unit, is the responsibility of the government, which allows the factories to disburse money from the bank. As the ones that handed over the products, the factories had to find every way to decrease the number of products they had to give to the government, because if a factory produced a great deal but turned over a small portion to the government, they might keep the remainder

to divide among themselves, or to sell based on the price agreed upon in order to earn money. The offices and cadres have the right to disburse, to purchase, and to hand over to the government. The pressure on the factories to exercise their right to the utmost leads to a feudalistic situation. For this discouraging reason, the socialist countries have gradually eliminated the administrative subsidy management mechanism with the following primary direction: to change the policy on prices based on the set pricing policy. Generally speaking, socialist countries have two types of pricing set by enterprises and consumers. The prices set by the government are direct and indirect kinds. The types of goods that are priced directly by the government have gradually decreased, and the types of goods that the government prices indirectly have gradually increased. The government prices some types the lowest and some types the highest. Producers and consumers set the working prices, including joint prices, as agreed upon between buyers and sellers which are effective for a stated time. Free prices are unanimously agreed upon by buyers and sellers.

The two types of prices mentioned above are fundamentally related to each other. The prices set by the government are always the base and used as the main component in setting the movement of working prices. At the same time, the working prices must reflect correctly the condition for pricing as related to the production business. Therefore, the government and the factories must keep each other informed of changes they make in order to focus on assessing the production business, and to control the set prices properly. Another important principle for eliminating the administrative subsidy management mechanism is to change from disbursing cash to credit, and to go from supplying materials and receiving all the products to a trading system. Previously, the government supplied all fixed capital and revolving capital for the factories, but now the factories must borrow most of the capital from the bank at a profitable interest rate in order to encourage the effective use of capital and rapid capital circulation while opposing delay in capital circulation.

Previously, the government supplied materials at a low price, but now there are many cases where factories have the right to sign trade pacts directly, with the prices set as agreed among themselves. Previously the factories' products had to be handed directly to the Ministry of Materials and Technology or to a trade section, but now the factories have the right to sell their products to other factories directly according to prices agreed among themselves.

The important change here is the exchange of goods based on prices that are suitable and mutually agreeable. This promotes the benefits of producers and consumers who have the full right to take part in the circulation and in the value of the goods along with assurances concerning waste and damage.

Economic Relationship, Reforms

Vientiane PASASON in Lao 14 Mar 87 p 3

[Article by Keo Souvan: "The Change in the Economic Management Mechanism Is a Central Policy of Socialist Countries"]

[Text] Recent studies on the important documents from the party congresses of our fraternal nations indicates that the change in the economic management mechanism has the same goal we have. For example: to guarantee the pace for setting the national economic development plan; to use the goods-currency-market relations in order to heighten responsibility and to give guidance as a team; to broaden independence and business ownership of the main production units; to guarantee the fights of and benefits for the individual, the whole and all the masses; strongly to modify the economic management mechanism; to exercise administrative power correctly; and to encourage democratic centralization of specialized tasks and production relations needed in the production mechanism.

Because of the above factors, the new and basic economic management mechanism has the aim of boosting quantity and quality in production based on the following. There is to be a change from the mechanism in which administrative power is exercised and orders are carried out to a mechanism which makes extensive application of the economic management principle. In 1980 the order setting forth the administration style was adopted from the higher echelons on down to the production bases in many different forms, for example, the order on production expectations, the order on adopting plans, and the setting of all prices by the center including the order, guidance and other resolutions for the production bases which are set by the higher echelons. The duty of the main business units is only to carry out orders; if there is a problem they must ask for the opinion of the higher echelons and wait a long time for a new order to be issued. However, we must accept the fact that in implementing the administrative power principle, there are some cases where economic guidance is needed. Later the administrative power became a basic offensive unit for the economic management mechanism, resulting in limited production mainly because selecting which orders to follow was confusing since there were too many orders, and these orders were far beyond the ability of the main business units to carry out. This problem occurs in a country because there are many main business units with varied production conditions. The production situation in each location changes every day. Therefore, the guidance organizations of the higher echelons were not able to follow the changes comprehensively.

The orders and resolutions which were selected today would not be in agreement with the production situation for the following days and would have to be changed. As a result, the expectation and the orders set by the higher echelons were often ambivalent and needed to be changed often. The orders and business activities which are not in line with the actual production became obstacles for business. Those who have the best knowledge of the situation and the capability are the business owners who are responsible for the materials and also for the business activity, yet they had no right to make decisions regarding problems. Therefore, this mechanism combines latent business ability with independence and quickly reflects the production situation for the business.

This mechanism did not closely coordinate the rights and duties of those who controlled the materials and those who issued the orders. When the orders resulted in damage to materials, those who gave the orders never acknowledged

it. The one that had the obligation to hold up the production bases and to compensate for the losses was the government. This hurt the factories and also reduced the benefits for the government. Also, the organizations in which the orders were given priced the goods and made everyone accept those prices as though it were an order. However, if there were a mistake in the pricing, the consumers and the producers were the ones most affected. Those who had set the prices could not be touched. This problem explains the damage of the old mechanism, and shows the lack of a sense of responsibility that often occurred during the time they were selecting which orders to follow. Since 1970 the socialist nations have changed periodically regarding the administrative subsidy management mechanism. There are still a few orders issued by the higher echelons remaining, and they have been changed from focusing on quantity to quality in expectation.

The above principle has been changed to administrative centralism. The production rights for main business units have been broadened to make business independent and self-sufficient. Previously the main business units only followed the orders of the higher echelons. Now, however, they have the right to plan for their own factories, and to make decisions regarding the plan, to set up a treasury in the factories, to broaden the production network, to set prices for some goods, to assign cadres to work and, in some countries, to have the right to trade with foreign countries. In the People's Republic of Bulgaria [PRB] and the Hungarian People's Republic [HPR] the main business units have the right to select factory leaders as directors. In the HPR the government only sets the direction for economic development nationwide and the basic policy, but the economic expansion plan and also the production plan for each business work unit is the direct responsibility of the work unit. Thus, the independence of business has been improved, and it is not necessary for the business unit to follow the orders of the higher echelons as before. They have the right to select and to decide on their own plan based on the general direction of national economic development. As a result, it provides a way for creative workers to move up higher and to become the true owners of the production.

Planning Models, Private Sector

Vientiane PASASON in Lao 16 Mar 87 p 3

[Text] The change in the economic management mechanism in socialist nations is a change in the organizing machinery in the direction of reducing the central work section and the guidance machinery, including the base enterprise according to the centralized direction for specialized tasks, creativity, and organizing factory groups.

Changing from the administrative subsidy economic management mechanism and order authority requires an appropriate modification in the system for organizing economic management, which is first of all to reduce the central work section and guidance machinery, and to change the duty and the responsibility of the guiding organization. Previously the leading guidance system mostly consisted of three to four levels, such as the ministry and general department, with the factory at the bottom. This does not yet include the grassroots level in the localities.

A system of many guidance levels such as this results in an unclear relationship from the low levels up to the high ones, and in inefficient orders from the high levels to the lower ones. Thus, the socialist nations have adopted a centralized direction in order to decrease the central work sections. Meanwhile, the ministries must decrease their order-giving policy role, but encourage the work in a direction set by the strategic economic plan for each section, and they must closely inspect the implementation of economic policy.

When there was a change in direction many ministries were joined together and combined as one. The USSR combined three ministries which involved agricultural production into one ministry called the Agroindustrial Committee. In the HPR six ministries whose work was involved with industry were combined into one. Some countries have combined the ministry of agriculture, the ministry of irrigation and the ministry of manufacturing into a single ministry of agricultural manufacturing. Previously local administrative committees were responsible for duties in two areas, both administrative work and economic also economic management. But now, generally speaking, the local administrative committees are only responsible for administration, and social service, in particular economic management, is the direct responsibility of the specialized task cadres in this area.

Changing the organization of main enterprise units according to centralized direction with respect to specialized tasks in analyzing work sections and in organizing factory groups comprehensively is a way to organize the production center with respect to breadth. It means combining factories with related production into the same section. For example, the textile group consists of cotton spinning, dying and weaving factories. This way of doing things is spreading throughout fraternal socialist nations. The vertical organization of a production center means putting together factories with different production into factory groups consisting of a scientific research office, a planning and studies office, a design and test production organization, an installation and spare parts section, sections which produce materials for research, factories that supply materials and control warehouses, factories that produce final products, and organizations for controlling goods in domestic and foreign markets. This practice has been widely adopted in the German Democratic Republic.

There have been many cases where grassroots work units have progressed and were promoted into enterprises and had absolute responsibility for production. Organizing factory groups results in profit and strong capital, and in materials and managerial cadres for use in improving the business of the factories and for boosting efficiency in production. However, the monopoly of factory groups in the trade area has produced discouragement and has affected the high prices of goods with no regard for improving the production and the quality of the merchandise. Therefore, in recent years the HPR and the PRB have approached this problem by using a new policy. They separated factories into large and small ones and assigned each of them to run their own business in order to eliminate the power to monopolize goods, and to create competition in production among the factories.

In addition to this, there have been other important changes. There has been mobilization for family economic construction and the giving of the right of small-scale production to the private sector. There has been improvement in education and in the regulations and laws aimed at changing to the new mechanism.

Another problem which is important for socialist nations, because it is a lever for changing to the new economic management mechanism, is to train and select scientific research cadres, planning cadres, and also factory directors, because the new economic management mechanism needs capable people to lead it.

9884/12851

CSO: 4206/105

EX-CENTRAL COMMITTEE MEMBER'S ANNIVERSARY COMMENTS REPORTED

Vientiane PASASON in Lao 24 Mar 87 p 2

[Comrade Meun Somvichit's Comments on the 32d Anniversary for the Establishment of the LPRP]

[Excerpts] As the entire parties, armies and the people are happily celebrating the 32d anniversary of the establishment of the LPRP and are working to implement the contents of the resolutions of the congress in order to bring them to reality, in the name of the people and as a party member I myself am very happy to express my feelings on the anniversary of this glorious day.

We recall the national liberation, a time when tens of thousands of the outstanding children of the Lao people of ethnic groups sacrificed their lives for their country, and in addition many thousands became injured and handicapped. There was also the tremendous participation by senior cadres and revolutionaries and the people of ethnic groups who devoted their energy and provided money and property for the revolution; they have continued to remain a strong foundation for the revolution. The party and the government have always assessed their great sacrifices very highly and with unending gratitude.

As a result of these concerns, the party and the government decided to set up an organization called the Committee for Social Welfare and National Veterans in order to carry out the party's rear line policy, in which praise is given to those who have done good deeds for the revolution during the national democratic revolution, and also during the period for the transformation and socialist construction. Social welfare and veterans work thus has profound political significance. It has broad social significance and is closely related to our present economic level. It is related to many work sections, and it is the responsibility of the entire parties, armies and all the Lao people as they advance to socialism.

Along with our attention to different aspects of specialized tasks, the quantitative and qualitative expansion of the party and cadre training is also important. In a quantitative sense, when the organization was first set up there were few cadres and members. It is now taking shape, and the cadres and members are performing their duties very well.

We are also carrying out a policy of bringing returnees back to their hometowns, assisting those facing natural disasters, taking care of the living

conditions for retired cadres living on pensions, setting up schools for foster children, etc.

Although the achievements may appear small, they represent a revolution of the Lao ethnic groups as they take part in mobilizing and building confidence in the leadership of the party and in the new socialist regime. I would like to present these achievements as a gift for the 32d anniversary of the establishment of the LPDR. I and the leading cadres of the Committee for Social Welfare and Veterans promise the party that we will be resolute in following the party and have complete confidence in the leadership of the party. Although I myself am old, I will try to maintain our fine heritage so that it will become a mirror for those in the coming generations.

9884/12947

CSO: 4206/103

SAVANNAKHET WOOD PRODUCTS PLANT PROFIT FROM ECONOMIC REFORMS

Vientiane PASASON in Lao 16 Mar 87 p 2

[Article by Ch Paseut: "The Savannakhet Tree-Cutting and Manufacturing Company Shifts to Business"]

[Text] The 1st year for the implementation of the Second 5-Year Plan of the government was in 1986, and this was also the 1st year in which the Savannakhet Tree-Cutting and Manufacturing Company shifted its main production units completely to business.

After signing the memorandum with the Economic Management Organization at the end of August 1986 on shifting to business, the company has converted all the production units under it to business, and it has also improved the organization by reallocating the work and reducing the administrative section and also the number of indirect producers. The company has reset the prices for lumber and logs and has set wages by recalculating their products.

A section that produces a cubic meter of logs will receive 467.87 kip for a medium average and 417.22 kip for an above average. In lumber production they will receive for a cubic meter 1,282 kip for a medium average and 1,174 kip for an above average. The workers have thus become a driving force in carrying out their specialized task, and their income has increased accordingly. The average salary for a worker is 5,648 kip, whereas prior to the shift to business it was only 3,328 kip. In order to be in line with and to guarantee the actual work, the company combined the tree-cutting and hauling units into one unit by making the hauling of logs to the transport field the final [step], so as to avoid having wood left in the forest. The company combined the plan and the finance together in order to avoid redundancy in the plans. As a result, the number of administrative cadres has been reduced to only 13 percent of a total of 318 people. As for the achievements in 1986, they were able to cut down over 14,000 cubic meters of logs which was a 16.5 percent increase over the figure for 1985. They produced 5,838 cubic meters of lumber and were able to hand over 36 million kip to the government treasury. At the same time, they also planted trees to replace those they had cut down on many hectares of the people's land.

The result of the primary shift to business has encouraged the workers in the company to become enthusiastic and to score new achievements by guaranteeing three benefits: the benefits for individual workers, the benefits for the whole, and the benefits for the government.

9884/12851

CSO: 4206/105

THAI ARMY DEFENDANT ADMITS SPYING IN BOLIKHAMSAI

Vientiane PASASON in Lao 8 Apr 87 p 3

[Text] "I confess my wrongdoing to the party and to the Lao Government because I was unaware of the consequences of carrying out the order of Lieutenant Colonel Charouy." This was the last part of the confession of Mr Prayut Phothiwong, a defendant in the People's Court on 27 March who was sentenced to 15 years in prison.

Mr Prayut Phothiwong is a 19-year-old Thai national whose occupation is a Thai soldier. He was born in Ban Lang Khao, Tha Kho Canton, Tha Kho District in Saraburi Province in Thailand. His father is Mr Cheua, 80, of Saraburi. His mother is Mrs La-eiat, 40, of Nakhon Ratchasima, Thailand. When he was in the Thai infantry Prayut carried identification card No 78/3 in Division 1, Battalion 3, Company 11 and Platoon 1 located in Petchaburi Province.

Facing the People's Court, Mr Prayut bowed his head and confessed that he had entered Laos twice in order to collect military information, and to do as much as possible to dismantle the LPDR. The first time he entered Laos was in May 1985 to spy for military information in the Paksan area of Bolikhamsai Province, when he was accompanied by Mr Santi of the same military unit. After spying for 15 days, they returned to Thailand to make their report. The second time was in June 1986. He was arrested by the Lao authorities and the Lao people on 2 June 1986 while spying in Ban Hong Thong in the Paksan area of Bolikhamsai Province.

Following his arrest, Prayut did not hesitate in disclosing the cruelty of the division, battalion and company along with the commanders and chiefs of all levels that he served under, all of whom considered spying in Laos and Cambodia to be very important, and who had the responsibility of taking care of and training Lao reactionary exiles in order to send them in to dismantle the LPDR. The Thai who had actually done the spying talked about it with great clarity. However, Thai officials often lie when they say that they "have good intentions toward Laos" and "want to live peacefully with Laos as a fraternal country."

The hostile movements by harmful groups in Thailand do not act only against the LPDR but also against international law and in favor of dismantling sincere fraternal relations. They have become a source of suspicion and tension for the people of Laos and for Thais as well.

9884/12947

CSO: 4206/103

VIENTIANE ECONOMIC REFORMS SAID TO SHOW RESULTS

Vientiane PASASON in Lao 8 Apr 87 p 2

[Article by Ch Paseut: "The Result of the Shift to Business in Vientiane Capital"]

[Excerpt] In order to become a driving force in carrying out their specialized task and also in implementing the contents of Plenum 49/LPDR of 18 August 1986 by the Council of Ministers on shifting the main economic units to business, the party committee and the administrative committee of Vientiane Capital have studied the contents of the plenum along with a detailed look at the regulations and proposals. A number of enterprises were selected as being suitable for the experiment in carrying out the new mechanism. Three locations have signed memoranda on shifting to business, and five locations have prepared a complete set of documents. After reviewing the experiment for the eight enterprises--the brick and tile factory, the fish sauce and fermented fish factory, the ice factory, the agricultural tool production factory, the Kok Sa-at salt-making plant, the Vientiane tailoring factory, the December 2d tailoring factory, and the hotel and restaurant corporation--the workers have become enthusiastic in their self-management, and have become a driving force in their work, in the search for raw materials, and in taking good care of the machinery which belongs to the whole so it will not become damaged. They have their work plan without relying on the budget. They borrow money from the bank when they do not have enough. The brick and tile factory once had a problem regarding inadequate transport vehicles. After signing the memorandum the factory changed to self-management in finance and looked for transport vehicles. They added three trucks so that the transport work could be carried out according to the plan. The workers have become a driving force in production according to the principle that those who work a lot get a lot, and those who work little get little. Those capable of working but who do not work will receive nothing. They stopped disbursement in three production sections all but the last one. Thus, the living standard of the workers is steadily improving and production is correspondingly higher. The new result has been that such problems as guaranteeing the supply of raw materials and fuel oil to the main production units have been gradually solved.

9884/12947

CSO: 4206/103

BRIEFS

WORKSHOP BUILT WITH GDR AID--Vientiane, May 13 (KPL)--A workshop for electrical machine repair and low-voltage line network constructed with the aid of the GDR Ministry of Regionally Administered Industry and Food Industry was recently handed over to the southern Champassak Province. Speaking at the hand-over ceremony, Khamchan Kommaseng, member of the provincial administrative committee, head of the agricultural, irrigation and cooperative service of Champassak, warmly thanked the GDR for its help. [Text [Vientiane KPL in English 0925 GMT 13 May 87 BK] /6662

MESSAGE FROM KIM IL-SONG--General secretary of the Lao People's Revolutionary Party Central Committee, and Phoumi Vongvichit, acting president of the Lao PDR, have received a message of thanks from Kim Il-song, general secretary of the Central Committee of the Korean Workers Party, president of the Democratic People's Republic of Korea. The message wrote: I would like to convey my profound and deep thanks to you for your congratulations and best wishes, on behalf of the LPRP CC, the Government of the Lao PDR and the entire Lao people, on the occasion of my 75th birthday. I hope that the friendly relations and fraternal cooperation between the parties, governments and peoples of our two countries will be further strengthened with each passing day, the message concluded. [Text] [Vientiane KPL in English 0900 GMT 22 May 87 BK] /6662

OUTGOING BULGARIAN ENVOY--Vientiane, May 23 (KPL)--Phoun Sipaseut, Politburo member of the LPRP CC, vice-chairman of the Council of Ministers, minister for foreign affairs, on May 22, received Todor Netsov, ambassador of the People's Republic of Bulgaria to Laos, at the end of his four-year term of office here. Phoun Sipaseut on this occasion, thanked Todor Netsov for his contribution to the strengthening of the solidarity and friendship between the parties, governments and peoples of the two countries. He wished him good journey home and success in his new mission. [Text] [Vientiane KPL in English 0919 GMT 23 May 87 BK] /6662

DELEGATION RETURNS FROM FOREIGN VISITS--Vientiane, May 23 (KPL)--A delegation of the Foreign Relations Committee of the LPRP CC led by its deputy-head Inpong Khai-Nghvong, member of the LPRP CC, has returned here from friendly visits to Cuba, Bulgaria and the Soviet Union. The visits were made within the framework of cooperation accords between the LPRP and other fraternal parties for 1986-87. They were aimed at promoting the fraternal friendship, militant solidarity and cooperation between the LPRP and other fraternal parties, particularly between their foreign relations committees. [Text] [Vientiane KPL in English 0921 GMT 23 May 87 BK] /6662

HUNGARIAN COOPERATION DELEGATION DEPARTS--Vientiane, May 25 (KPL)--A delegation of the Scientific, Cultural and Educational Commission of the Hungarian Socialist Workers Party Central Committee left here Saturday, concluding its friendly visit to Laos. While here, the delegation held talks with its Lao counterpart. It also paid a courtesy visit to Phoumi Vongvichit, Politburo member of the LPRP CC and vice-chairman of the Council of Ministers, in charge of educational and cultural affairs. [Text] [Vientiane Domestic Service in Lao 0902 GMT 25 May 87 BK] /6662

PHOUMI VONGVICHIT RECEIVES BULGARIAN ENVOY--Phoumi Vongvichit, Politburo member of the LPRP CC [Central Committee] and acting-president of the republic, received here today the outgoing ambassador of the People's Republic of Bulgaria to the Lao PDR, Todor Netsov. The Lao acting-president, on the occasion, thanked the ambassador for his contribution to the consolidation of the friendship and solidarity existing between the parties, governments and peoples of the two countries. He also thanked the Bulgarian Government for its many-sided assistance to the Lao PDR's party and government in the past and at present as well. He wished the ambassador a good trip back home and success in his new mission. T. Netsov was accredited as Bulgarian ambassador here on Feb. 28, 1983. [Text] [Vientiane KPL in English 0902 GMT 26 May 87] /6662

DISEASE PREVENTION YEAR RESOLUTION--Vientiane, May 25 (KPL)--The Council of Ministers has released here a resolution on the setting up of a National Committee for the International Year of Disease Prevention. The committee is chaired by Sali Vongkhamsoo, deputy-chairman of the Council of Ministers and chairman of the State Planning Committee. Khamiliang Phonsena, acting-minister of public health, was appointed deputy-chairman of the committee. The resolution said that all state institutions should promote cooperation with UNICEF and the Secretariat of the International Year of Disease Prevention in order to carry out UNICEF's proposal for inoculation of all Lao children. The committee is to popularise the importance of disease prevention and mother and child care as well as to give advice to the government on the planning of disease prevention till the year 2000, and on the observance of the International Year of Disease Prevention. The committee also has to cooperate with UNICEF and other international organisations in carrying out measures for disease prevention. [Text] [Vientiane KPL in English 0859 GMT 25 May 87 BK] /6662

LUANG PRABANG TRADE--There is intensive concentration on the purchase and exchange of ricefield and forest products between the government and the people of ethnic groups in Luang Prabang Province. In particular, in the 1st quarter of this year the Luang Prabang Trade Company purchased and exchanged nearly 24 tons of white sesame seeds, 3 tons of cardamom, 1.6 tons of soybeans, over 700 kg of resin, over 500 kg of benzoin, and a number of other products totaling over 11 million kip. Also, the retail stores in the province have extensively implemented and completed the plan as expected. They earned over 27 million kip from the sale of consumer products to the public, which exceeded the 1st quarter for the annual plan by over 12 million kip. [Excerpt] [Vientiane PASASON in Lao 8 Apr 87 p 1] 9884/12947

VIENTIANE PROVINCE BANK DEPOSITS--Since February of 1987 the cadres, government employees, soldiers, police, workers and people of ethnic groups throughout Vientiane Province have deposited 610,255 kip in the State Bank. The outstand-

ing depositors were Kasi District which deposited 197,373 kip, Phon Hong District with 155,305 kip and Vientiane Province with 103,117 kip. [Excerpt] [Vientiane PASASON in Lao 24 Mar 87 p 1] 9884/12947

VIENTIANE CORPORATION FOREIGN EXCHANGE--For the year 1986 the Vientiane Capital Hotel and Restaurant Corporation has been able to earn over 400 million kip and over \$275,000 since it has been serving domestic and foreign guests and also various tourist sites in Vientiane Capital. As compared with 1985, the income in 1986 had increased by 16.32 percent. In 1987 the corporation will improve and build many hotels and restaurants in order to accommodate its guests. The corporation will also invest in paving the road that branches off from Route 13 to the Hin Khanna tourist site in Nasaithong District according to the plan. [Text] [Vientiane PASASON in Lao 24 Mar 87 p 1] 9884/12947

XIENG KHOUANG PARTY GROWTH--The Xieng Khouang Party Committee has been able to train 246 outstanding members of the masses to join the party. In terms of organization it has established 279 party chapters including 65 party chapters which are well-informed in all aspects. The provincial party committee has also wiped out 15 white villages [areas where there is no LPRP presence...FBIS]. [Excerpts] [Vientiane PASASON in Lao 16 Mar 87 p 2] 9884/12851

SAVANNAKHET PARTY MEMBERSHIP--Up to now there is a total of 3,013 party members throughout Savannakhet Province, including 2,431 full party members. This is an increase of 436 members as compared with 1985. There are 250 units for which 231 comrades are at the basic theory level, 135 are at the mid-level, and 44 comrades are at the high level. [Excerpt] [Vientiane PASASON in Lao 14 Mar 87 p 2] 9884/12851

CSO: 4206/105

WELLINGTON 'AMAZED' AT FAVORABLE OECD COMMUNIQUE

Auckland THE NEW ZEALAND HERALD in English 15 May 87 p 5

[Text]

The turnaround on agricultural reform by 24 industrial nations meeting in Paris has amazed the New Zealand delegation.

The Minister of finance, Mr. Douglas, said yesterday that there was a remarkable change in attitudes at the Organisation for Economics Co-operation and Development ministerial meeting.

And officials said that even just a few days ago there was doubt that Japan and West Germany would agree to a meaningful pledge.

Market Signals

But a communique published at the end of the two-day forum committed all 24 nations to new positions on reform, saying:

● The long-term objective "is to allow market signals to influence by way of a progressive and concerted reduction of agricultural support... the orientation of agricultural production."

● It was necessary to implement measures which reduced guaranteed prices and other production incentives to prevent increased agricultural surpluses.

● OECD Governments would carry out their commitments to stand still and roll back protectionist policies and avoid stimulating surplus production.

It was the first time an international forum had reached a result in discussing agriculture, said the meeting's president, the West German Economics Minister, Dr Bangemann.

In fact, he added, it was the first time it had been discussed and the topic would now be on other agendas including the summit for the seven leading industrial nations in Venice next month.

The new mood among the member nations can be attributed partly to gloomy forecasts about the group's economy.

Recession Fear

Sources at the Paris secretariat say its latest assessments are for growth in the groups economies to be only 2.5 per cent for the coming two years. Fears of a recession next year have stepped up.

But Mr Douglas, who went straight from the Paris meeting to talks with bankers in Zurich, said he thought that pessimism about growth in jobs and output was only

partly the reason for the turnaround on agricultural policies.

"I think it's much deeper than that. It goes back to an understanding of the changes that have to be made," he said.

"I think politicians are much more outward-looking, prepared to make the hard decisions which they know are right, even if it's at some political cost.

"What was important at this conference was that everyone was pointed in the same direction — even countries that have been very protectionist.

"They have to go and sell it to their own voters and make some of the hard decisions we have made in New Zealand."

He said the meeting had given "a sense of leadership" to coming negotiations on global trade rules in the Geneva-based General Agreement on Tariffs and Trade.

'First Step'

Mr Douglas was chosen from the three meeting deputy chairmen to be the one to address the closing press conference with Dr Bangemann. He told several hundred reporters and observers that the commu-

nique was a "very important first step to trade and agricultural reform."

There was a "realisation that it was in the best interests of the countries themselves. The subsidies they pay out are costing jobs," he said.

The reform moves that emerged in the communique mark a significant new phase in OECD work that began five years ago — when the then Prime Minister, Sir Robert Muldoon, chaired the ministerial meeting.

A mandate was given that year by ministers to the organisation seeking a study on the effects of agricultural protectionism.

The resulting surveys of countries including New Zealand showed a staggering percentage of income for farm products came from subsidies. Dairy farmers in OECD countries including Australia and New Zealand then got over 60 per cent of their returns from subsidies and overproduction was rampant.

Income Halved

Models set up by the OECD show that if subsidies were reduced generally, prices and volumes of exports would increase because production would be more tuned to the market requirements. A 10 per cent cut in support would raise the world price for dairy products by about 5 per cent.

For New Zealand the results of the extensive work by the Paris body's researchers is breathtaking. It shows, for instance, that protectionism by other countries has halved New Zealand's farm income.

The simulations reveal also that New Zealand would be the only country to benefit by volume and price in every commodity examined if there were reductions in international support.

The Paris work is continuing and now focuses on the effects of agricultural protectionism as it affects employment and investment generally.

/9317

CSO: 4200/602

DOUGLAS POLICIES ATTRACT SWISS BANKERS

Auckland THE NEW ZEALAND HERALD in English 16 May 87 p 5

[Text]

NZPA Zurich
Swiss bankers are keen to be part of New Zealand's corporatisation programme, the Minister of Finance, Mr Douglas, said after talks in Zurich.

He saw representatives of about 50 major investment houses in a series of meetings where he delivered presentations on the direction of the New Zealand economy.

The banks displayed a definite interest in some of the public floats, he said, for example the sale of 30 per cent of the shares in Petrocorp later this year.

Mr Douglas said he had

pointed out that New Zealand was not looking for any new money to add to its debt, but would continue to raise funds to repay existing loans.

His visit was partly concerned with raising that money but in the main was a "goodwill gesture" to tell the Swiss how the New Zealand economy was performing.

Asked if there was strong interest in future investment in New Zealand, he said: "That may well be one of the results but what they were really there for was getting a feeling for where New Zealand was. They also like to hear it from some of the people involved."

/9317
CSO: 4200/602

KEATING BUDGET LAUDED, DOUGLAS URGED TO TAKE NOTE

Auckland THE NEW ZEALAND HERALD in English 15 May 87 p 6

[Editorial: "Mr Keating Wields the Knife"]

[Text]

The Australian federal Treasurer, Mr Keating, must at times rue the ability of his New Zealand counterpart, Mr Douglas, to escort a commodity-based economy into bracing market waters. Mr Keating has larger forces to battle and belongs to a Government still much encumbered with a prices and incomes policy.

But Mr Keating has just produced a budget that Mr Douglas would struggle to emulate. Facing a need to tighten fiscal policy in order to take pressure off interest rates, the Treasurer has attacked some of the most sacred cows in any Labour Government's pasture.

Unemployment benefits

have been withdrawn from 16 and 17-year-olds, who gain instead a job search allowance of half the value. An assets test is introduced for unemployment and sickness benefits and family allowances. Some public assets are for sale and state enterprises will contribute sales tax and customs duty to the federal revenue. Defence spending is also shaved, but on a less painful three-year schedule.

It all adds up to a \$NZ5 billion improvement in the fiscal balance, leaving a deficit, at 1 per cent of the country's gross domestic product, almost four times better than the local improvement Mr Douglas was recently celebrating. He might borrow the recipe.

/9317

CSO: 4200/602

IMPLICATIONS OF GREATER LEFT PARLIAMENTARY ROLE VIEWED

Auckland THE NEW ZEALAND HERALD in English 16 May 87 p 6

[Commentary by Russell Hill in the "Politics" column: "Influx of Broad Left Could Shackle Minister of Finance"]

[Text]

Ambushed and, for a time, subverted by the generals of the 1984-87 Labour Government, the left wing of the Labour Party now seems assured of at least a greater numerical presence in the post-election Labour caucus.

Whatever the outcome of the election, the five trade unionists recently selected as candidates in safe Labour seats look certain to embark on parliamentary careers.

But the selections — the result of an effective re-grouping by the Labour Left — pose a more critical question for the upper echelons of the party's parliamentary wing.

The issue thrown up by the choices made under increasingly controversial candidate-selection rules was their impact on the complexion and policies of a second-term Labour Government.

Would the influx of Left-leaning MPs put the brakes on Rogernomics, if Labour was re-elected, and force the cabinet into a more orthodox Labour stance?

Majority In House

Or would the engineers of Mr Lange's second term, like those in his first, be able to hold at bay the calls for a managed, planned economy?

Clearly, the answer will depend on Labour's re-election and, importantly, its majority in the House.

As was amply demonstrated during the 1981-84 Muldoon Administration, even a few backbenchers can exercise extraordinary powers when the Government has only a slight voting advantage in Parliament.

The prospective new Labour MPs may also

have been too easily classed as adherents of the "broad left" school of thought and, as such, determined to shackle the Minister of Finance, Mr Douglas.

The Papatōetoe candidate, Mr Ross Robertson, is considered more moderate, for instance, and unlikely to rock the Rogernomics boat.

Others, like the new Avon candidate Mr Larry Sutherland, are said to bear a stronger allegiance to the Labour Party than to any more militant union grouping.

But the new crop of Labour MPs may, nevertheless, prove a force for the cabinet free-marketeers to reckon with,

especially given the dominant position of Labour traditionalists in the party organisation and the presence in Parliament of the chief articulator of their views on economic management, the MP for Sydenham, Mr Jim Ander-ton.

Tolerance May Lessen

Mr Douglas and his associate finance ministers may have little to fear from the new MPs regarding economic decisions already taken and, like the imposition of the goods and services tax, well entrenched by the time they take their seats in the Labour caucus room.

But the new backbenchers may be less tolerant of new initiatives deemed offensive to the Labour creed — and they will want swift action on the long-promised quid pro quo for Rogernomics in the area of social policy.

The post-election Labour caucus will be better equipped to resist some Treasury-supported propositions. A suggested further dismantling of universal benefits in favour of means-tested state payments, for instance, would be a divisive issue within the Government.

Equally, however, the new parliamentary team will be crying out for the deferred pay-off from the economic policies which many in the party claim have imposed a disproportionate burden on traditional Labour supporters.

Just how quickly a second-term Labour Government would move to meet those concerns — and to what extent — is still unclear.

Interviewed on the point this week, the Prime Minister, Mr Lange,

seemed to indicate that the pay-off would not be as generous as some party faithful expect.

The Royal Commission on Social Policy is certainly expected to lead to a thorough overhaul of the welfare state, after it reports to the Government late next year.

Efficiency Aim

But Mr Lange is looking for a less expensive structure, not a more costly one.

The objective is a more efficient system, he says, which does not necessarily consume more of the state's resources.

Mr Lange contends that the amount of funds allocated to social services bears no relation to the quality of the product.

"No one feels happy about being on an 18-month waiting list because we have spent 68 per cent more in the last three years," he said.

"The same is true of education. If your kid cannot spell, it does not matter if the Government spent \$20 million or \$20 billion."

It was a misconception, therefore, if people had gained the impression that the Government was deferring social reforms until such time as the economy could support a greater outlay on social policies.

Such reforms had had to wait for the Government's second term, says Mr Lange, because it had been fully committed to economic repair work in the first.

Socialism Boosted

"In the time we have been the Government, the issues we have had to

address in the economy have been darned near all-absorbing," he said.

Mr Lange thus implies that the social welfare overhaul will appeal as much to economists as the beneficiaries of the new-look welfare state.

The business community, although appreciative of the thrust of the Government's economic policies so far, has been increasingly critical of its apparent inability to contain the massive annual outlay on health, education and welfare.

But Mr Lange brushes off suggestions that the make-up of the next Labour caucus will inhibit the Government's Executive wing.

Indeed, the Government will be assisted, he says, by the recruitment of MPs espousing social objectives, rather than economic ones.

"I am quite satisfied the Government strategy will accommodate that perfectly — because the technocratic aspect of economy and efficiency has to be rendered humane by the vision and concern of people who really are concerned with social outcomes."

Mr Lange also suggests he is not about to lose the support of existing caucus members who, he says, "went through the long pains of changing things and are not going to surrender that for some new wave of thought."

The Prime Minister perhaps risks accusations of naivete in declaring he knows of no Labour candidate at the election who favours turning back the clock.

The MP for Wairarapa, Mr Reg Boorman, publicly aired his opposition to the sale of shares in the Bank of New Zealand, claiming

the Government was not aware of the consequences of the move.

Speculation Fuelled

Mr Boorman's outburst immediately fuelled speculation that, having assessed his chances of holding the marginal seat as small, he was paving the way for selection as a candidate at a different electorate in 1990, assisted by a Left-leaning selection panel.

Mr Lange is also known to be unhappy with some of the recent trade union candidate selections, especially that of Sonja Davies in Pencarrow, ahead of Labour's former publicity strategist, Mr Simon Walker.

Aligned with Mr Ander-ton — and perhaps with other caucus members such as Mr Trevor Mallard (Hamilton West) and Mr Clive Matthewson (Dunedin West) — new MPs like Sonja Davies may constitute an irritation for a new Labour cabinet.

Certainly, Mr Lange and his close lieutenants are well ahead of the play in their contest with the Labour Left.

Mr Lange confirmed this week that further major economic changes are not on the Government's second-term agenda, while initiatives such as GST, the removal of agricultural and other subsidies and the establishment of the new state corporations are not about to be rolled back by an incoming caucus.

But the left wing of the Labour Party looks certain to gain a more substantial foothold in the parliamentary team — and constitute at least a vocal ginger group.

EMPLOYERS OPPOSE NEW LABOR RELATIONS BILL

Wellington THE EVENING POST in English 2 May 87 p 4

[Article by Penny Harding]

[Text]

EMPLOYERS' organisations have mounted one of their toughest campaigns yet — against the Government's proposed new industrial legislation, the Labour Relations Bill.

Their contention is the Government has bowed to pressure from unions to give them control of the industrial relations system.

At 20 separate employers meetings throughout the country, and in half-page newspaper advertisements over the past month, they have urged both employers and members of the public to complain to their members of Parliament.

A parliamentary select committee has finished hearing submissions on the Bill and this week began its deliberations. It will then report back to Parliament.

The campaign is organised by the Top Tier groupings of Employers' Federation, retailers, manufacturers and tourist industry federations and Federated Farmers.

The sorts of issues they highlight include plans to give unions the right to enter work places without the employer's consent, the right to inspect wage records whether the workers want them to or not, the right to enter a person's home without the homeowner's consent.

The Federation of Labour has described the campaign as ugly. President Jim Knox says it is a collection of misinformation, half-truths and distortion.

The employers say the legislation stands in the way of labour market flexibility. The Federation of Labour says the overall direction of the Bill is towards labour market flexibility.

TO tease out both points of view, the Post asked the Employers' Federation to expand on 12 complaints about the Bill highlighted in recent newspaper advertisements. The Federation of Labour was asked for its views.

First the Employers' Federation:

- The union will have the sole right to initiate negotiations — employers will no longer have such right.

Under the present Industrial Relations Act, either a union or an employer can set in train the award negotiation process and it is reasonably common practice for employers to take the initiative in creating a dispute of interest. The Bill removes this balance giving employers no opportunity to establish the parameters of an award, but only to respond to union claims.

- The union will have the right unilaterally to single out individual employers from award negotiations and compel them to negotiate separately.

The Bill is quite clear that it is for the union to specify, either before award negotiations begin or at any time before the award is settled, those employers with whom it wishes to have a separate agreement. Thereafter — though arbi-

stration is not itself compulsory — an employer has no choice but to enter into negotiations.

- The union will have absolute rights to enter work premises even without the employer's consent. Employers will have no say as to when, where and how this is done.

Provided that a union representative believes, on reasonable grounds, that a member of the union, or someone covered by the union's membership rule is, or will be, employed on the premises, or has been employed there within the last six years, that representative may enter even if the employer is not there.

The entry right may be exercised by day or night (with the qualification at any reasonable hour) and if the employer is absent a written notice must be left.

There are no other restraints.

- The union will have the right to inspect wage records whether the worker wants them to or not.

Under the Industrial Relations Act a union may bring an action for recovery of wages or for breach of award on behalf of an individual worker but has no general right to inspect wages and time records, such as the Bill provides. This right, currently, is confined to Department of Labour Inspectors, neutral officials bound by a strict code of practice.

- The union will have the right to two paid stopwork meetings a year with the employer having no right to maintain essential operations.

The union meeting clause requires a union to give 14 days' notice of a stopwork meeting and to make such arrangements with the employer as may be necessary — for what and to whom is not stated — but provides no specific protection for an employer's undertaking.

When it is appreciated that individual employers deal with very many unions the potential for lost productivity can be seen as horrendous.

- The union will have the right to enter a person's home without the homeowner's consent.

Although the Bill initially states that the right of entry to a dwelling house must be exercised with the consent of the occupier, it contradicts itself immediately by making provision, where consent is refused, for a warrant authorising entry to be obtained from a Justice of the Peace (often a union official).

- The union will have the sole right to introduce a "new" matter for ne-

gotiation after an award has been settled. The employer has no such right.

It will be the union's prerogative to ask the Labour Court whether or not a new matter exists and if the answer is yes, the way will be opened for further negotiations to take place. Since strikes are legal during a dispute of interest, and new matter bargaining is interest bargaining, sanctity of agreement will inevitably come under threat.

- The union will have the right to negotiate on any matter, not limited to industrial issues. Example, whether a company should trade with America.

Unlike the Industrial Relations Act, the Bill does not limit disputes between unions and employers to industrial matters and at the same time it leaves a union free to undertake any lawful activity within the scope of its objects.

Since the present system of blanket award coverage will continue, it is particularly unfortunate that unions will be completely free to negotiate on any matter they choose.

- The union will have the right to strike during the term of an existing award or agreement.

A union will be able to strike during an existing award or agreement simply by initiating new matter negotiations or by initiating negotiations for a new award or agreement. Notice to a new award or agreement may be submitted at any time, there are no restrictions. Notice to the chief mediator creates a dispute of interest and in relation to a matter that is the subject of a dispute of interest, strikes are legal.

- The union will have the right to create a dispute and strike without even telling an employer.

The dispute is created simply by a union submitting notice to the chief mediator. The union is not obliged to notify the employer, but the fact of the dispute's existence provides the union with the basis for strike action.

- The union will have the sole right to determine union and award coverage of workers.

Once a union is registered under the Labour Relations Act only that union can negotiate for workers coming within the scope of its membership rule. Registration is not available where a group of workers is already covered by the coverage clause of an existing award or agreement. An existing, registered union

can seek coverage of another union's workers — through an elaborate balloting procedure — but workers — by themselves, have no right to initiate a change of coverage.

- The union will have the powers of Department of Labour inspectors without having to keep any information confidential.

The right to bring actions for breach of award and recovery of wage arrears now lies solely with unions, with authorised union representatives — the phrase extends to cover any person authorised in writing to act on behalf of the union — given powers which once belonged to Labour Department Inspectors. No standards are imposed. Obstruction or a refusal to comply leaves an employer open to a fine not exceeding \$1000; the union representative is subject to no such restraint.

FOL president Jim Knox has condemned the employers' views as a "misinformation campaign." He said the campaign brought out the most ugly features of a union-bashing mentality and were not helpful to constructive industrial relations.

"We should be very clear about what changes are contained in the legislation. The overall direction of the Bill is towards labour market flexibility — a concept vigorously promoted by employer interests and vehemently opposed by unions."

He said a number of positive changes in the Bill aimed to promote trade union democracy.

Those changes included provisions for stopwork meetings and union access to members which were crucial to enhancing membership involvement in unions.

"In the future two two-hour stopwork meetings a year will be a right enjoyed by workers. Previously, the ability of workers to attend meetings to participate in their union's activities was subject to the whim of the employer.

"Similarly, a union's rights of access to members and to wage records enhance the rights of workers to their correct wages, safer working conditions and participation in their union, generally.

"The legislation, as drafted, provides adequate safeguards to ensure that the exercise of such rights by workers and their unions does not unduly interfere with the work process."

Mr Knox said employers could not have the luxury of a two-faced stance on such issues.

"On the one hand, we hear a lot of criticism from employers suggesting unions are undemocratic, yet at the same time they oppose changes which would remove some of the practical difficulties workers have in trying to participate fully in the activities of their union," he said.

He said in the last year, more than \$1 million had been collected from employers to rectify underpayments in wages.

"The employers appear to be opposed to unions having access to workers' time and wage records to check up on underpayments. Such opposition is totally unreasonable.

"I believe the Bill should contain provisions which prevent employers from escaping their legal obligations to pay proper wage rates."

MR KNOX said that with more than \$1 million at stake, the employers would prefer that their honesty, or lack of it, was not subject to scrutiny.

"The overall direction of the Bill favours employers in that it promotes labour market flexibility. While I remain critical of that fact, it has to be conceded that the Bill contains some safeguards which will prevent excessive manipulation of the new system by employers.

"These safeguards are both justified and sensible given the system overall," he said.

Mr Knox said the employer campaign was a tactical device rather than being based on sincerity.

"They have achieved the overall system they wanted, but some of the detail doesn't suit them. They are now applying pressure to remove safeguards which prevent manipulation of the new system."

He said despite union opposition to the general direction of the legislation, the trade union movement saw the need for changes to be introduced prior to the next award round.

"It is not in anyone's interest that the uncertainties of the last award round be repeated in the coming award round.

"We would like to see legislation passed as soon as possible so that unions, employers and indeed the Government, know their obligations

well in advance of the wage round commencing."

Mr Knox said it was difficult for unions to counter the sort of campaign being waged by employers.

"Frankly, we do not have thousands of dollars to spend on full-page advertisements in newspapers and other expensive publicity activities."

"If you have money to pay for expensive advertising, then you can say what you like. If we put out the sort of distorted nonsense the employers have been promoting, we would have to do it by conventional press releases. Every newspaper editor in the country would tear us apart."

He urged honest and informed debate about the issues contained in the Bill.

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CSO: 4200/602

'MAMMOTH' INDUSTRIAL RELATIONS BILL SURVIVES 'TEMPERS,' 'DISCORD'

Auckland THE NEW ZEALAND HERALD in English 16 May 87 p 5

[Text]

NZPA Wellington

The Government passed its mammoth industrial relations legislation and cleared up several other bills, including the Video Recordings Bill, when Parliament sat under urgency for four days this week.

MPs voted in 154 divisions as the Opposition attempted to change the controversial Labour Relations Bill during part-by-part debate on its committee stages.

The committee stages took up nearly 27 hours of the 36 hours and 50 minutes the House spent on the bill this week.

Tempers frayed during the extended sittings, with MPs from both sides of the House frequently required to withdraw remarks they had made.

The mood of discord cul-

minated on Thursday night when the Hon Merv Wellington (Nat—Papakura) was suspended from the House after refusing to leave the chamber for shouting "rubbish."

Despite lengthy debates and divisions the Labour Relations Bill was passed into law by midday yesterday.

Opposition MPs described the legislation as creating "a monopoly of the exclusive right of unions," saying National would move swiftly to change it if it became the Government.

Mr Maurice McTigue (Nat—Timaru) criticised provisions for union membership in the fishing industry, which was based on partnerships and shared interests.

"This will mean the end of the fastest-growing industry in New Zealand," he said.

Another major concern

was that agricultural workers would now come under the Workers Union — an arrangement which the Opposition described as impractical and inflexible.

Dr Clive Mathewson (Lab—Dunedin West) accused the Opposition of stalling the legislation by forcing the House to "traipse in and out" of division lobbies because National MPs could not raise debate with their "poor quality" arguments.

He said the Opposition did not understand the bill, pointing specifically to complaints about provisions for access of union officials as an example.

He said the new legislation was actually more restrictive because not just any union representative was allowed access, and more notice and information had to be given to the employer.

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CSO: 4200/602

CONTROVERSIAL PROCESS SELECTS TRADE UNIONIST CANDIDATE

Wellington THE EVENING POST in English 9 May 87 pp 1, 3

[Article by Debra Sturm]

[Excerpt]

While a group of women cheered and hugged each other following the announcement early this morning that trade unionist Ms Sonja Davies was the new Pencarrow Labour Party candidate, about a dozen other people immediately got up and left the selection meeting.

One yelled "It's another Jack-up," as she headed for the door — a reference to comments following last week's selection of trade unionist Mr Graham Kelly at Porirua.

The meeting lasted more than six hours.

The 50 or so party faithful who had stayed at the meeting for the result had just heard a long statement from party president and meeting chairman, Ms Margaret Wilson, in defence of the party's candidate selection procedure.

Ms Wilson told the meeting she felt bound to make such a statement because of circumstances surrounding other recent candidate selections. She said it was the party's constitution that provided the selection procedure and she and other party council members were obliged to uphold that constitution.

"We have endeavoured the best we can to do that fairly and honestly. We realise that in selection meetings, particularly in seats like Pencarrow ... obviously the campaign takes place at the selection as much as it does on actual election day.

Panel satisfied

"All we ask is that it is done in accordance with the constitution. We would be a little disappointed if people didn't start acting like politicians since that is the job they are aspiring to," said Ms Wilson.

She said the selection panel was "totally satisfied and convinced" it had selected the right candidate for Pencarrow.

Sonja Davies' win was greeted with a standing ovation, cheers and embraces from about 10 women standing near the back of the selection meeting hall in Wainuiomata. At the same time a group of about 12 people walked out, obviously unhappy with the result.

A former vice-president of the Federation of Labour, Ms Davies' selection comes at a time when some party members are accusing the unions of a kind of take-over bid for safe seats.

Ms Davies took the selection over nine other nominees, the strongest on the night being journalist and Government public relations man, Mr Simon Walker, and former Pencarrow electorate chairman, Dr Michael Jameson.

Mr Walker's speech was a particularly strong one, and was well received. Ms Davies' speech also received an appreciative response.

About 400 people listened to the 10 speeches, which took 2½ hours to complete. The straw poll — with about 200 party members eligible to vote — took another two hours. The panel deliberated, then announced its result about 1.30am.

Release result

Ms Davies' chances were strengthened early in the evening with the selection of two of her local supporters to the panel — Mrs Elaine Sharman of the Epuni/Waiwetu branch, and Mrs Carole Hobbs of the Eastbourne Women's branch.

There was also an early attempt to persuade the panel it should release the result of the straw poll so all present could know who was the audience's favourite.

But Ms Wilson would not allow it. She said it was not within her power to grant publication of the ballot because party rules stated it was to be secret, as were the deliberations of the panel.

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CSO: 4200/602

ARTICLE DISPUTES SUCCESS OF 'ROGERNOMICS'

Wellington THE EVENING POST in English 16 May 87 p 3

[Article by Simon Collins]

[Text]

QUIETLY, while most of us were looking the other way, New Zealand industry has made itself much more efficient.

Layoffs, which once seemed evidence of the failure of Rogernomics, are now being claimed by the Government as a sign of successful "restructuring."

Many New Zealanders evidently now agree. Fully 50 per cent of those questioned in the April Haylen poll expect the economy to improve in the next 12 months — the highest level of optimism since September 1976.

The poll followed some good economic news. Specifically:

- The underlying rate of inflation (excluding GSI) in the first three months of this year was lower than at any other time outside price freezes since the great inflationary surge began in 1970.

- The Government's own budget was closer to balance in the 1986-87 financial year, according to its own figures, than in any other year for 10 years.

- The toll of registered unemployed fell in both February and March as young people moved off the register into school or further training.

SINCE the poll, the first signs of falling interest rates have probably added fuel to that optimism.

In contrast to these public signs, increased efficiency in industry is much less noticeable. But in the long term, it could be the most important change of all.

Some economists now believe that competition has made local industry so efficient that the old popular assumption that the kiwi dollar is over-valued may no longer be true.

Forced to compete at an "uncompetitive" exchange rate, exporters may have surprised everyone and actually become much more competitive.

Roger Douglas himself noted in a recent speech that industry increased its output by 8 per cent in the year up to last September, despite a reduction in hours worked of 7.6 per cent.

"For some industries the improvement was even more marked. For example, the textiles and clothing sector lifted productivity by over 20 per cent in the survey period," Douglas said.

His figures come from a study by the Berl consulting group, which contrasted productivity growth in industries which seemed to have restructured, shown on the smaller graph on this page, with other industries such as fabricated metals where productivity has declined.

It concluded that industries which have restructured, such as textiles and clothing, "are poised for rapid growth when the markets and macro-economic conditions come into balance."

OTHER commentators have pointed to other specific examples, ranging from staff reductions in the railways and on the waterfront to big productivity increases at Dunlop Tyres and New Zealand Steel.

The loss of protected jobs at such places, so the argument goes, was no loss at all, for the jobs were in reality worthless. Workers will feel much better now that they have "real" jobs, perhaps in tourism or finance.

Unfortunately, however, the picture is not quite so simple. There is no doubt that productivity increased in most industries last year, but the reasons are varied.

New Zealand Steel is one company where the improvement was due primarily to the prospect of increased competition stemming from the Government decision to remove its protection against imports from 1989.

Lindsay Fergusson, a former oil company executive plucked to head New Zealand Steel after the Government took a controlling share in the company last year, says he has trimmed projected staff numbers from around 2700 to 2100, and opted for a much more automated form of production.

"That will give us a productivity in terms of output per man year of around 290 tonnes of steel and that, given the type of operation we are running, is competitive on a world scale," he says.

Increased competition from imports has forced a similar drastic restructuring at the food giant, Watties.

THE headlines over the past four months have read like a litany of doom, as Watties first closed a potato plant at the tiny Rangitikei township of Rata at a net cost of 40 jobs, then shut down its Timaru frozen vegetable plant (200 jobs), and finally last month announced plans to reduce staff at Gisborne by 150 and at Hastings by 230.

Alister Bowes, general manager of the company's consumer foods division, says lower import barriers have brought a flood of competing products from overseas across the whole range of Watties products.

"We have a more competitive economy. We have to respond to that," he says.

But Watties will not cut its food production. It aims merely to centralise canning, for example, in Hastings, and carrot packaging in Gisborne.

In the pulp and paper industry, it is primarily world market conditions with increased competition from Chile and elsewhere, which have caused a cost-cutting drive.

But the Government has put on extra pressure by raising its prices for timber from state forests, changing the tax regime for forest costs, and removing export incentives which for years gave what amounted to massive subsidies to the forestry companies.

NZ Forest Products has responded by cutting its workforce by 686 last year and with plans for a further cut from 3320 to 2200 workers in the pulp and paper and sawmilling areas this year.

AFTER a bitter industrial dispute, Tasman Pulp and Paper has also reduced its staff numbers from around 2000 to around 1825, and wants a further 117 salaried staff to take voluntary redundancy.

Maintenance workers at its Kawerau plant agreed at the end of last month to a new roster system which will provide weekend work for only 25 per cent of the workforce each week, instead of the previous 75 per cent.

Yet production from Kawerau has continued to increase, while its quality has been improved by a capital upgrading programme costing \$45 million a year.

Similarly in the meat industry, New Zealand's biggest export earner, the removal of farm subsidies at a time of weak world prices, has forced the pace of a rationalisation which had been on the cards for years.

Analysts estimate that the previous 25 per cent over-capacity in North Island meat-works has been virtually eliminated with the closure of works at Otahuhu, Hastings and Gisborne, and the effective closure this season of works at Feilding and Longburn near Palmerston North, pending union agreements to new conditions.

More closures are expected in the South Island, probably before the next season opens in the spring.

In the freezing works that remain, shift work has been introduced, meat companies have lifted the proportion of meat being exported in cut form from 15 to 25 per cent — and they have learnt to cope with a high kiwi dollar.

"The old commodity trade relied on price," says Paul Hemsley, of the Meat Industry Association.

"When you are moving to a branded product such as specialty cuts, you are moving into a different league. You can compete even at a higher exchange rate."

BUT in another major export industry — wool — even branded products such as woollen carpets are proving uncompetitive at the current exchange rate.

UEB Industries was forced to close its Christchurch woollen mill last year, with the loss of 250 jobs, while Feltex has laid off 130 people in Grey Lynn and Lower Hutt to concentrate its tufted carpet-making at Foxton, in the Manawatu.

The industry has begun to import cheaper synthetic carpets since the Government abandoned an agreement under which local manufacturers were to stick to carpets with a wool content of at least 80 per cent.

The president of the Textile and Garment Manufacturers' Federation, David Watson, says the 20 per cent productivity gain showing up in the textile statistics "has absolutely nothing to do with Rogernomics."

He believes the industry has invested in more productive machinery only because it has been assured of continued protection for the bulk of the domestic market.

Some of the biggest job losses from the more competitive economy are occurring in the highly protected car assembly industry. Mazda is closing its plant at Otahuhu, Ford is moving out of the Hutt Valley, Toyota has laid off 50 people in Christchurch, and the New Zealand Motor Corporation has reduced its Nelson staff by a further 50 and plans to

close its Pannure plant, which employs 250 people, next year.

BUT some associated companies, such as Dunlop, are surviving against expectations by specialising in lines which mesh with Australian manufacturers.

David Hills, Dunlop's Australian chief executive, says that as yet the local operation is still not internationally competitive.

"We accept that we have to become at least competitive with Australia," he says.

"That is one of the reasons we have rationalised our range between Australia and New Zealand, making some products here in Upper Hutt and some in Australia."

Hills says the Hutt plant has boosted output from 2800 to 4000 tyres a day, despite cutting the workforce by about 30, by gaining local market share from its competitors and exporting to Australia.

Analysts believe there is clear evidence that increased competition has also boosted productivity in services such as retailing, where the growth of large stores has allowed increased sales with fewer staff.

Deregulation of the finance sector has forced companies there to accept lower profit margins, while the wind-down of "think big" projects and changing labour practices are believed to have caused a productivity increase in the construction industry of around 20 per cent.

The problem is, however, that these changes may be at least partly a mere temporary, cyclical phenomenon.

The second, two-part graph on this page shows that output per hour worked (productivity) always tends to rise in an economic upswing.

RISING consumer demand, as in 1983-84, tends to pull up output quickly, as workers who had sat twiddling their thumbs for much of the day are finally worked to capacity.

It takes time for managers to realise that the upswing is going to last, and to respond by taking on extra staff.

Similarly in a downturn, as when Roger Douglas first used high interest rates to squeeze out inflation in 1985, output tends to drop first before managers respond by laying off workers. Productivity therefore falls.

What happened in 1986 was that the pre-GST consumer spending spree, fuelled by the high wage round at the end of 1985, caused an unexpected surge in manufacturing output.

But manufacturers knew that this time it would not last. So they actually continued to lay off staff in anticipation of leaner times ahead, and made full use of their remaining workers.

As usual, when output turned down again after GST in the last quarter of last year, productivity slowed down even more sharply.

Moreover, such increase in productivity as there still was by December came not so much from increased output as from reduced employment. The number of hours worked in the December quarter was 4 per cent down on a year earlier.

Other sources show that growth in the service sector did not fully compensate for this drop. The number of full-time jobs in the whole economy fell by 23,400 during 1986.

THE apparent improvement in unemployment in February and March was in reality merely seasonal, as young people went back to school or into further training. Seasonally adjusted unemployment actually rose by 7 per cent in March.

Paul Gini, an economist with the Manufacturers' Federation, believes this is the real question mark over Rogernomics.

"I am mindful of the United Kingdom where they had the same experience of an increase in gross output per hour, but production and employment were falling, in manufacturing in particular," he says.

In Hawkes Bay, for example, a Labour Department official, John Miller, is not aware of any local business that is expanding to employ the workers laid off from the Whakatu freezing works or from Watties.

He believes the Hawkes Bay economy has been sustained so far only by the payment of some \$17 million in redundancy pay to Whakatu workers in March, and by the fact that many ex-meat workers have found temporary work picking fruit.

Some economists also question the achievements of Rogernomics in other fields. Wellington economist Len Bayliss is one who believes the Government and its state corporations are still borrowing too much, and so helping to hold up interest rates, and hence, the kiwi dollar.

He believes the kiwi needs to come down by 15 to 20 per cent, if export industries are to remain competitive. But when that happens, it will push inflation back up into double figures.

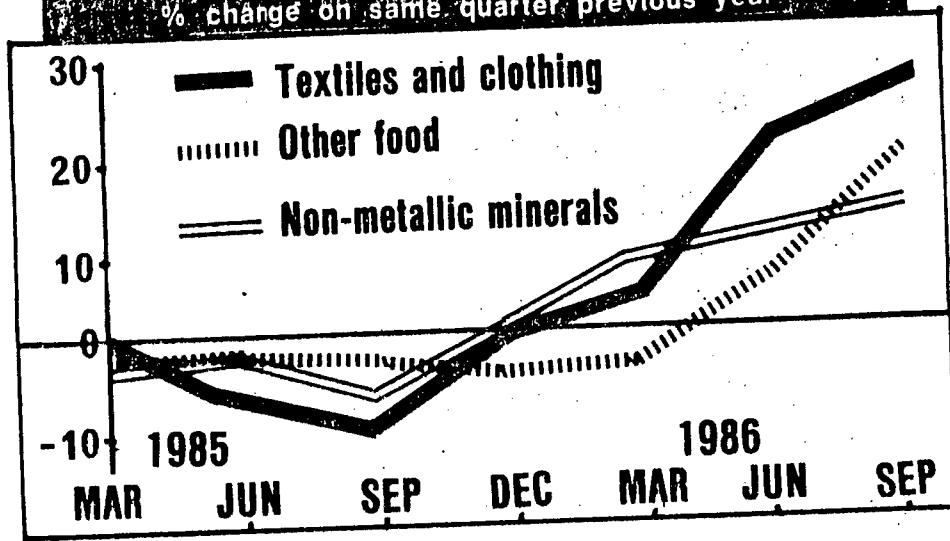
Of course, that need not happen if enough industries have made themselves competitive and optimistic, even at the high exchange rate.

DESPITE all the setbacks Hawkes Bay has received, John Miller echoes the Heylen poll in insisting: "I still think there is an air of confidence in Hawkes Bay."

"There are limited work opportunities at this stage," he concedes.

Labour productivity in industries which restructured

% change on same quarter previous year



- This graph is based on the Berl forecasting report on labour productivity in industries which have restructured.

"But that is not to say that is going to be the case in the future. There is a fairly active campaign to encourage businesses to establish themselves in Hawkes Bay."

Experience in Britain, and even in such New Zealand towns as Patea, suggests that such optimism is misguided. After eight years of Margaret Thatcher's version of Rogernomics, Britain still has three million people on the dole.

Productivity has, no doubt, improved. But it might have improved anyway, at much less social cost, if economic policy had given priority to encouraging steady economic growth rather than squeezing out inflation.

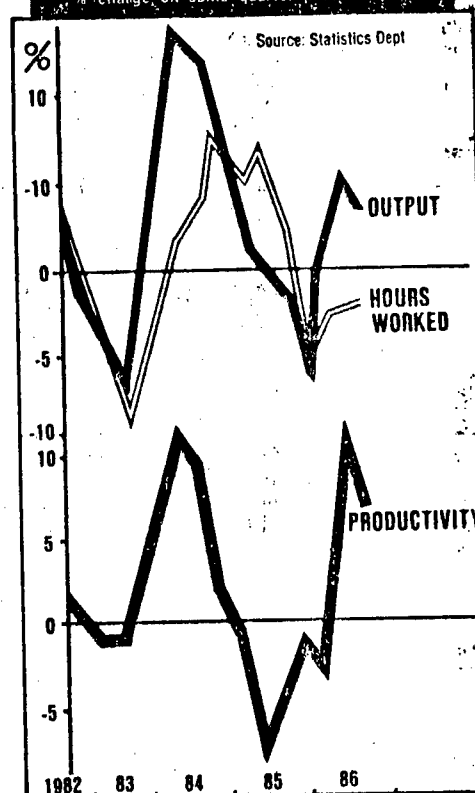
Yet in economics, optimism itself is a valuable commodity. Sometimes, as Douglas believes it will be once inflation is squeezed out, optimism can be self-fulfilling.

It is what Rogernomics now relies upon to prove that it can "work."

- Simon Collins' book, *Rogernomics: Is there a better way?* will be published by Pitmans Publishing (NZ) Ltd (price \$24.95) on Friday.

Productivity Trends 1982-86

% change on same quarter previous year



- Changes in productivity over the past five years.

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CSO: 4200/602

KHUKRIT CALLS CONTRAS 'TERRORISTS,' REAGAN INEFFECTIVE

Bangkok SIAM RAT in Thai 1 Mar 87 p 9

[Excerpts] The fortunes of U.S. President Reagan are falling fast. This is because the report of the Senate Committee investigating the sales of arms to Iran and the channelling of the profits from those sales to the Contras in Nicaragua to fight against the legitimate government of that country has now been revealed.

This is a serious matter, which they consider to be a serious mistake, because the whole event was conducted secretly by the Reagan administration without letting Congress know. The sales of arms to a foreign nation has to be reported to Congress.

With regard to the U.S. aid to the terrorists in Nicaragua who seek to overthrow the government of that country, that is a concern of the National Security Council of the United States. It may be a secret matter; but it is well known. Because the Nicaraguan Government is a communist government--the kind of government that the United States has continued to make sure would not be created in Latin America --nobody has said anything against it.

But this time it appeared that the U.S. government aided the Contras with the money that was obtained through the secret sales of arms to Iran. When the secret sales of arms to Iran were brought out in the open, the assistance for the Contras in Nicaragua has also become an illegal act.

This report calls this action "an elaborate and highly risky action, with enormous national interests at stake."

Those who have taken these actions should also be accountable to the nation as well.

The Senate's report blames all the wrongdoing on the National Security Council and two Cabinet members, as well as aides and high-ranking officials in the White House, as I have already stated. But this report indicates that it all happened because of the ignorance and inattention of President Reagan.

When the matter was brought out in the open, President Reagan said he was not aware of it, and that he was willing to appoint a commission to investigate it and bring out the truth for the public to see.

It seems he really did not know.

The result was that the United States sold weapons to Iran in order to please the Iranians so that they might release Americans held hostage in Iran and other countries in the Middle East.

He is good at believing his aides. But President Reagan ultimately has to be responsible for this matter for these reasons:

The commission said two secretaries--Mr Shultz and Mr Weinberger--were aware of this incident from the start, and were against it. But instead of blocking it to prevent great damage, the two secretaries distanced themselves and would not have anything to do with it--just to keep their political positions.

President Reagan still has some goodness in him in that he would not fire any body simply because people did not like him.

In any case, as this story has been brought into the open, President Reagan's fortunes have been declining; he is losing his power and support; he has only his powers under the Constitution and ceremonial powers. But his powers to initiate new policies or the power to control the minds and hearts of the people so that they would approve of him and follow him, as well as the command of the people's trust, are all gone.

If the President Reagan does not resign now on his own accord, he will have to continue as a dummy, without any respect from anybody, until his term ends according to the Constitution.

Each day, he will just preside over this or that affair as guest of honor whom nobody truly wants.

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THAILAND

STUDY REVIEWS GSP EFFECT ON EXPORTS TO U.S.

BK250330 Bangkok BANGKOK POST in English 25 May 87 p 28

[Text] Thailand will still be able to sell its products to the United States if the latter decides to suspend or cut its special tariff treatment for Thai products.

A Foreign Ministry source told the BUSINESS POST yesterday a recent study analysing exports of Thai products to the US under the Generalised System of Preferences (GSP) found that the withdrawal of special tariffs would only seriously affect about 10 percent of Thai exports covered by GSP status.

The study took 1986 as a base to determine the possible adverse affects on Thai products.

According to the source, the study said there were currently 672 Thai products out of a total 3,053 from 140 developing countries which enjoy GSP status.

The study was conducted amid the ongoing controversy over amendments to Thailand's Copyright Act which are seen as concessions to the US to avert a threatened review of GSP privileges for Thai products.

Several people have queried whether it is worthwhile complying with US demands in order to maintain special tariff treatment on the 672 products which account for about US\$351 million or 20 percent of Thailand's total exports to the US.

The source said the study divided the Thai products covered by GSP into four groups to determine their competitiveness in the US market if they were deprived of GSP status.

The study said about 475 items or 60-70 percent fell into the first group and these would face an extra 4 percent duty on average.

The second group contained about 175 items which would be subject to an extra 9 percent duty on average.

The third and fourth groups would be the hardest hit as they would have to pay an extra 17 percent and 26 percent in duties.

However, these two groups include only 17 and five items respectively and their overall value totals only 10 percent of aggregate exports under GSP.

The study, therefore, concluded that even without GSP status, Thailand would feel little effect to its export total.

"In fact, Thailand still has the capability to compete in the US market," the source quoted the study as saying.

Following pressure from the US, the Thai Government ordered the Commerce, Education, and Foreign Ministries to look into the existing copyright law and make certain amendments to give more protection to certain American products, including musical cassette tapes and literary works.

Although the Cabinet recently approved certain amendments, they have not yet been endorsed by Parliament.

Several circles, including the Government's own coalition member, the Democrat Party, have expressed grave concerns over the issue, specifically fears that Thailand will be disadvantaged by amending the law and the US will make additional demands for patent and trademark protection.

The US Pharmaceutical Manufacturers' Association (PMA) plans to file a petition this week with the US Trade Representative for trade sanctions against Thailand if similar protection is not offered its products.

The US first started providing special tariff treatment to developing countries in 1976 and introduced the 8 1/2-year GSP system on January 4, 1982. Despite GSP, Thailand suffered trade deficits with the US until 1985 and 1986 when trade shifted in Thailand's favour to the tune of about 9,492.65 million baht and 7,074.5 million baht respectively.

The GSP does not include items like textiles and garments (which are bound by a separate agreement), electronics, shoes, leather goods, chemicals, steel, petroleum products and certain types of wood and glass products.

About 70 percent of exports to the US enjoying GSP status come from seven countries--Taiwan, South Korea, Hong Kong, Brazil, Singapore, Mexico and Israel.

In 1984, these countries' exports under the GSP totalled \$9,630.67 million or about 74.10 percent of total exports under GSP. This compares with \$192.37 million from Thailand or about 1.48 percent of the total exports under GSP.

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CSO: 4200/595

FOREIGN MINISTRY OFFICIALS MEET PHILIPPINES ENVOY

BK230257 Bangkok THE NATION in English 23 May 87 p 5

[Text] Thailand and other allies of the Philippines can help resolve the Muslim insurgency in the Philippines peacefully, the chairman of a government panel negotiating with the separatist movement said in Bangkok yesterday.

Emmanuel Pelaez spoke after meeting with Foreign Ministry officials on the last leg of a trip designed to enlist help from members of ASEAN.

"The government cannot tolerate any move to dismember the Philippines," Pelaez said during a news conference at his country's embassy.

Muslim rebels have been locked in conflict with the government for 15 years in southern Philippines. Tens of thousands have been killed since the Moro National Liberation Front (MNLF) launched the armed struggle in the early 1970s.

President Corazon Aquino met with MNLF Chairman Nur Misauri Sept 5, 1986, and the two agreed to cease hostilities and to set in motion negotiations toward a solution. Talks have progressed since then, but were suspended May 7, according to the government; the MNLF said they had collapsed.

Both sides have resolved to consult separately with the Organization of Islamic Conference (OIC) in hopes of producing further understanding. Pelaez and his delegation visited Singapore, Malaysia, Brunei and Indonesia in the last week to report on the situation and to enlist help.

Pelaez met yesterday with Praphat Limpaphan, deputy foreign minister, and eight other Foreign Ministry officials.

"Their reaction, of course, is one of sympathy," Pelaez said. "They agree with us that friendly countries should try to influence both parties toward a peaceful solution."

Pelaez told THE NATION that he did not make any requests for specific action by Thailand. Sources said rather that the primary purpose of the delegation's ASEAN trip was to prevail on Muslim nations to explore avenues toward a peaceful solution through contacts with MNLF members.

But Pelaez said the Thai officials registered their concern over the situation as they would over any area of instability, and pledged to present the subject to Foreign Minister Sitthi Sawetsila upon his return here.

Foreign Ministry officials said Pelaez asked them to inform Muslim countries of the Aquino government's peaceful intentions toward the separatists.

Somphan Kokilanon, Foreign Ministry deputy spokesman, quoted Pelaez as saying: "The Philippines considers Thailand, a member of ASEAN, as its closest friend."

Pelaez, who is ambassador of the Philippines to the United States, intended to return to his country today. He said the challenges ahead remained formidable.

"How this problem will be solved, frankly at this stage we do not know," he said.

The new constitution of the Philippines declares that the president shall establish a commission to help Congress draft a law creating autonomous regions. Under the constitution, an autonomous area would be created after enactment of the law by Congress--but only if citizens in the area approved of the move in a plebiscite.

"But the MNLF, with whom we have been talking, disagrees with the government on certain issues," Pelaez said.

First, the MNLF demands that Aquino establish the distinct area by presidential decree. Second, the organization rejects the idea of allowing the people of Mindanao to vote on the question.

Both demands are out of the question, because they would violate the constitution, Pelaez said. Furthermore, the MNLF continues to seek an arrangement tantamount to independence, instead of abiding by the constitution's provisions for autonomous rule.

"So this is a real problem," Pelaez said.

Adding to the complexity of the situation is the fact that the Muslims have broken into three groups. The Aquino government would like to talk with all three, but the MNLF says it will pull out of all talks if the government contacts the other groups.

The MNLF has threatened to burn plantations, destroy bridges and launch other violent acts if events do not develop satisfactorily, Pelaez said. But the government will not be coerced, and will continue to work for peaceful, legitimate ways of giving Muslims a greater say in running their affairs, he said.

Pelaez, who is Roman Catholic, said he hopes ultimately to be replaced by a Muslim in his job as head of the Mindanao Peace and Development Panel.

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CSO: 4200/595

THAI DAILY VIEWS CGDK LEADERSHIP

BK240145 Bangkok THE NATION in English 24 May 87 p 10

["By the Regional Desk"]

[Text] There is a joke making the rounds here in Bangkok that before anyone can confirm Prince Norodom Sihanouk's decision to take a one-year leave of absence as the leader of anti-Vietnamese Khmer coalition movement, the prince has already returned to his job.

Sihanouk being Sihanouk, it is extremely difficult, or rather impossible, to pinpoint the motives behind his abrupt sabbatical. Probably there are hundreds of reasons for a man of his calibre. For those who are familiar with the mercurial Khmer leader, two imminent reasons stand out. First, Sihanouk is extremely fed up with the coalition partners; and second, he wants to return to Phnom Penh, after years in exile and lallygagging in the isolated and elusive Pyongyang, to resume his rightful duty as the leader of Kampuchea.

That Sihanouk is getting bored with his leadership in the coalition government is widely noted. He made no qualms about his dislike of the coalition partners during his diplomatic missions. All the same, the Khmer resistance leader, year after year, tries to convince the world that his resistance forces are better coordinated and doing well in the war to liberate the Vietnamese-controlled Kampuchea.

Here lies the dilemma. Even in statements strongly condemning the Khmer Rouge guerrillas for harassing the soldiers loyal to Sihanouk, he did not fail to mention that coordinated field operations between the two resistance groups have been successful in fighting Vietnamese troops in Kampuchea. Such antagonisms are omnipresent. At best the cooperation of the three resistance leaders, Sihanouk of the National Sihanoukist Army, Son Sann of the Khmer People's National Liberation Front (KPNLF) and Khieu Samphan of Khmer Rouge is laced with suspicion.

It is easy to blame the Khmer Rouge for its unerasable past suicidal record. When Sihanouk decided to step down citing the Khmer Rouge attack last month killing two Sihanoukist soldiers as the main reason, diplomats knew that the communist guerrillas were made a scapegoat. It seems that the non-communist guerrillas do all the talking while the Khmer Rouge guerrillas do all the fighting, even with their own coalition partners.

A Coalition Government of Democratic Kampuchea (CGDK) without Sihanouk for one year is beyond the imagination of CGDK supporters. Since its inception in 1982, the charismatic prince always played the central role, at times calling the shots by himself, in presenting the coalition partners to the world. Soon enough, Sihanouk's style and outspokenness have become the source of inspiration as well as embarrassment. Dealing with Sihanouk, his supporters contended, is more difficult at times than dealing with the Vietnamese. He is uncontrollable.

Over the years, great attention has been accorded to the prince. Repeated calls by his supporters to stay put as the coalition's leader is a clear manifestation that Sihanouk's resignation, temporary or not, would have an unfathomable repercussion to the Khmer resistance forces as a whole.

However, that concern did fade away when the prince confirmed his intention. Now he is free to roam the world pursuing his own activities. As ASEAN countries see it, the uncertainty associated with the prince would come to an end with Son Sann or Khieu Samphan at the helm. It would be unwise to compare Sihanouk with these two leaders. Son Sann, the former premier of Kampuchea, has his own merit. ASEAN officials have expressed confidence that Son Sann is able to hold the CGDK together during Sihanouk's absence. The real test would come soon, not in the battlefield but in the United Nations General Assembly later this year. It is the first time Son Sann, as head of the tripartite resistance groups, will address the General Assembly and face CGDK support in the UN. A drop of one vote on the annual resolution of the Kampuchean situation can prove disastrous to the movement which is trying to dislodge Vietnamese troops from Kampuchea.

With a higher profile, Khieu is in a better position to present the CGDK. He is cool and reasonable. But as to whether he can convince the world that the former Khmer Rouge leader, Pol Pot, is but a man waiting for the grave is out of the question. The best and noblest thing Khieu can do is to present the CGDK, despite its squabbles, as a credible deterrent to Hanoi's domination of Kampuchea. As the strongest, best armed, best disciplined and best organized group, Khmer Rouge will always be the force Kampuchea's occupiers have to reckon with.

At the same time, Khieu has to assert his authority in the field to ensure that alleged attacks against other coalition fighters does not occur again. Khmer Rouge military leaders such as Son Sen, Ta Mok and Thach Reng are well-known for their brutality. Without assurance from them, there is no guarantee that military harassment by the Khmer Rouge toward their non-communist counterparts will not happen again.

In the span of one year, if both Son Sann and Khieu are able to accomplish these tasks, it would boost the standing of CGDK and strengthen its morale. When the prince returns next May, it would be an altogether different coalition movement.

For Sihanouk to have 365 days off without doing anything grandiose is impossible. It remains to be seen. However, Sihanouk, without the usual portfolio, has its pros and cons. Certainly, he is relieved now and is free to conduct his personal diplomacy, which has always been the case during his tenure. He can go to any imaginable destination and talk of anything he prefers. But it is doubtful whether his personal endeavour would have a positive result.

Reports said Sihanouk would go to Paris, where he goes every year anyway to meet unofficially with the Vietnamese representatives. Hanoi would certainly not meet Sihanouk at the time, much less have a meaningful discussion. True, Hanoi has longed for negotiations between Sihanouk and the Heng Samrin regime, but with Sihanouk as the CGDK leader, not in a private capacity. It is not surprising that Vietnam is keeping its bewilderment to itself.

When the ball gets rolling with Sihanouk leaving Pyongyang, the world, CGDK's supporters in particular, will find out if the prince is more effective being himself playing his own diplomacy, or as the leader of the UN-recognized resistance forces.

Sihanouk will have to work hard in the months ahead and perhaps need a lot of luck to prove his worthiness and achieve his long-standing desire to return to Kampuchea. But on the evidence so far, it seems likely that the mercurial prince will not be able to achieve any breakthrough on the Kampuchean issue. Before long, with appropriate urging from his supporters, the mercurial prince will return to the CGDK leadership.

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CSO: 4200/595

THAILAND

RICE PURCHASES BY MAURITANIA, BANGLADESH REPORTED

BK290537 Bangkok THE NATION in English 26 May 87 p 25

[Text] Thailand has secured orders for 50,000 tons of rice from Mauritania and Upper Volta.

The first order is for 30,000 tons from Mauritania under a government-to-government contract worth 105 million baht. The quantity of A-1 special broken rice is priced at \$130 [currency not further specified] per ton FOB, cheaper than a recent deal with Guinea-Bissau.

Mauritania is also buying 800 tons of 100 percent B grade and 100 tons of fragrant rice on a trial basis. The rice is to be delivered in two lots in July and October.

Oranut Osathanon, director general of the Foreign Trade Department, also announced yesterday the government's 13th rice purchase of the year, bringing the total bought from exporters this year to about 1.2 million tons.

This time 66,500 tons are to be bought, 50,000 tons of 100 percent B at 4,940 baht per ton, 10,000 tons of five percent at 4,790 baht and 6,500 tons of A-1 super brokens at 3,170 baht. The prices are roughly in line with recent purchases.

Meanwhile, Saeng Thong Rice Co Ltd has won a bid to supply parboiled rice 10 percent to Bangladesh at \$176.80 per ton while Chaipon Rice will supply 15,000 tons at \$180 per ton FOB.

This brings the total of Bangladesh's purchase of Thai rice to 95,000 tons for the deal of Saeng Thong and Chaiphon Rice combined. Bangladesh will buy 95,000 tons instead of 100,000 tons. It cancelled a big for the remaining 5,000 tons.

Market sources said that there have been orders received from Iran and Bangladesh, making the local market more active together with rising prices.

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CSO: 4200/595

DISSIDENT MP EXPLAINS REASONS FOR LEAVING PARLIAMENT

Bangkok MATICHON SUT SAPDA in Thai 19 Apr 87 pp 10-12

[Interview with Pilot Officer Chlad Worachad, former member of Parliament from Bangkok, Democratic Party. Interviewer not identified, date and place not specified]

[Question] May we know why you suddenly decided to resign from parliament?

[Answer] My reasons for resigning included problems in the party, parliament, and government operations.

I anticipated party problems in the beginning. Initially, after the party got 100 votes, I did not feel comfortable. During the campaign, the people were promised that we would be a leading party and form a government if we had enough votes. We got 100 votes; making it the party with the most votes. The policies and ideas promised to the people by the party I joined have not been fulfilled. Everyone had to join the government unconditionally. I admit that I was the only one who opposed this. It showed that I had different ideas, but I am true to the ideals of the Democrat Party. I have fought every type of dictatorship; people know that I will not stop fighting to make our constitution democratic.

The next problem concerns legislation. Most parties promised the people that when they were elected, they would amend the constitution to make it more democratic. We have been working at this from 1979 to 1987 which is about 8-9 years. This parliament has been for 3 terms but it did not seriously try to correct anything. One problem is that government operations are not smooth; it cannot solve the problems of the people. We have to preserve the stability of the government because there are many parties. Systems such as allowing regular government officials to serve as senators have never been corrected. I brought this problem up but parliamentary legislation was never intended to solve this problem. I was upset.

Lastly, this has been in power for 6 months but it has not done anything. No minister is acceptable to the people. There are conflicts in the party and in the government. When we look from the outside, the government appears harmonious but if we look from the inside, it is not so. The parties are not united. In addition, it is clear that the parties which had joined the government and

were with it for only 3 months did not have the confidence of the others; they were tainted. Meanwhile, there were other matters; royal decorations and the culture center are examples. The government knew about these but did not take any serious action.

As a member of parliament, I admit feeling quite uncomfortable. I was alone; I could not do anything. I submitted a letter to the prime minister after the army's commander in chief talked about a coup d'etat and said that he would stage a coup if the people allowed him to do so. The problem is that there are old and immediate problems which the government pretends do not exist; it seems as though there is no government. By not acknowledging anything, it makes it appear as though this country does not have a government; this confuses the people who then wonder just who the government is. When this kind of talk surfaced, I submitted a letter to the prime minister asking him to resign, upgrade the entire cabinet, or stop the army commander in chief from talking about a coup, otherwise a split would be created between the civilians and the military. In the military itself, I think there is a split which could adversely affect the stability of the government.

An incident occurred at MR (royal title) Khukrit's residence when the Thahan Phran irregulars appeared in front of his house because MR Khukrit had conducted an academic discussion. The discussion was one where ideas about how things should be done could be expressed. Instead of acting in accordance with the law or legal procedures, they used the Thahan Phran irregulars in such a manner as to threaten citizens. It was like using force to distress people. It does not matter whether it was MR Khukrit or someone else, they are citizens.

Conceptually, I think that we are responsible for protecting the rights and freedoms of the people. Realizing that we represent the people of the whole nation, we should cooperate with one another. Legislative power does not belong to just one person. I alone cannot do anything; combined power is needed. Without this combined power, the administration cannot do anything to protect the people. The legislature must respond to combined power.

Meanwhile, I worked through the party. I tried to listen to the resolutions. I respected the majority votes. Sometimes, I felt that in sending a motion to parliament, we had to present it as legislators and not as part of the government. Therefore, when there was a party meeting, several people in the party submitted two motions. They were the motions of Mr Karuin Sainam from Buriram which included several petitions and the motion of Mr Chalermphan Sriwikorn which included my petition.

Actually, I intended to submit the motion myself, but since other people were making the motion, I joined them with my petition. I was glad that the enthusiasm of the party was evident and that we had principles and ideas which showed that we could do the right thing when these types of incidents happened.

When there was a joint discussion in the party, we discussed this with intensity. Everyone unanimously agreed that these motions should be combined

and submitted to parliament. Nobody objected. I was glad and thought them that there would be no incident which would change anything, but I forgot that in the past there had been changes within the party in which what was resolved one day was changed the next. I did not think too much about this.

The next morning, Wednesday (8 April), I went to parliament and saw Ms Suphatra Masadith submitting the motion at the counter. She said that she was waiting for me to sign the petition; I signed it and noticed that many others had also signed.

In the afternoon, after lunch, there was a party meeting concerning motions regarding other legislation. This was a meeting which usually concerned everything. Mr Wira Musikaphong submitted an urgent motion to review the motions which had been submitted. I was surprised; I did not think that there would be any changes. When this was mentioned, I knew what would happen. There was discussion among supporters and opponents of the motion. The opponents were Mr Samphan Paenpat and Mr Decho Sawananon. Mr Triphop Merasi from Udorn Thani supported Mr Wira's motion. When the votes were counted, the opponents had more than the supporters.

I said in the meeting that I would listen to the resolution. I regretted that the Democratic Party, which had been fighting the dictatorship for a long time, and the old politicians who had fought on even after losing a leg or an arm, were finished. Like parasites, we depended on them. There is no political leadership, only military leadership now. If people in the party want to be parasites, I don't care. But if that means that they cannot cling to Prem, because he is like an old tree, they have to find a new tree to cling to. If it is Chawalit, I dare say they have to find a different one.

I said to the party that if there was a change to the resolution, I would announce that I would not be dependent on anyone in the party and that I would be a pain in the neck of the Democratic Party. If the resolution was changed or withdrawn, I would not be involved with the party. I thought about this issue, some people might think that I resigned because I was attacked in the meeting and slighted. As a politician, I could not afford not to think carefully. I should have resigned at the beginning when we joined the government but I did not.

If you think about it, I thought that I could not stay in politics any longer because I announced my independence. Even a party which had 100 votes could do nothing, if I was by myself, I would be useless. I would be the only one who disagreed; my political situation would be a negative one, I would not be able to do anything for the people. When they changed the resolution, but did not draft a new one, they said they would invite the prime minister, the defense minister, and the minister of the interior to explain it to the party; I knew what they would say; it would be finished and withdrawn. People would be deceived as they had been several times before. I did not want to agitate the party or damage its reputation, but the party did so itself and it was evident to the people. Therefore, we must be careful and make good decision before submitting a motion.

I felt hopeless when I looked at the legislature. Actually, the legislature and the administration constitute different powers. The legislature is the power which controls the government, issues laws, and directly represents the people. It is the power of the people. But we always appear to be instructed on how to work for the people. We are not independent. No matter whether the representatives are drafting bills or anything else, most of the bills never pass. The ones that pass usually are those sponsored by the government. It has been shown that there is nothing to assist us to do our job in accordance with what we promised the people. When I knew that there was no chance, and I have different ideas, I thought that if I did not resign, I would have to use my power and do my work as a representative who did not belong to any party. If I did that, and became an independent representative, I would have to use nonviolent means of resistance.

I knew that one day something might happen to my family. I had said before I entered politics that if I faced such conditions in politics which might cause something to happen to my family, I could not bear it. I, therefore, tried to find a solution. My daughter said that there were two choices, either resign or resist; daddy, she said, please choose resignation. Actually, 2-3 days before I resigned, I was ordered to resign every morning. My resignation was not based on emotions.

[Question] Many people say that the cause of problems is the top government leader who does not act properly, does not solve problems immediately, and seems to like to let the problems solve themselves.

[Answer] I can see that it has reached the point that the government led by General Prem is incompetent. Its popularity has declined because General Prem has been prime minister for a long time, has not solved any problems, and has not done anything new to improve the lives of the people. There is only corruption. Even if General Prem is innocent himself, he does nothing.

[Question] Was there any straight talk in the Democratic Party about why they have to preserve party discipline to survive even though they do not know what they are surviving for?

[Answer] There was no straight talk, they only expressed concern for their positions. There was no problem other than concern about positions. When a person has a position, he is addicted to it, therefore, things that they may have said based on ideology and principle no longer apply. It is the prime minister who makes political waves and causes confusion and splits in the party. Sometimes, in the party meetings, a resolution would come up but Prime Minister Prem would request the party to change it. It has always been like this.

Thus, the party always bows to the prime minister.

[Question] Is there any action which might indicate that the Democratic Party will become dependent on General Chawalit?

[Answer] They only hope that they do not do anything to hurt the commander in chief's feelings or to cause conflict. As people who supposedly fight for justice, they tend to hide their feelings of dissatisfaction, which they dare not show, because they refuse to face reality which exists in the party. Actually, they do not want to solve problems. They only think about joining the government and continuing in the government. They never think about problems, that is why we cannot effectively run the country, why it is not developed, why it cannot develop politically, why the democracy is like this, and why the administration's power overlaps other powers.

[Question] Do you think that it would do any good if a no-confidence motion against the entire cabinet was submitted? As for General Prem, will he have to improve himself or if he cannot, should he resign?

[Answer] I think there is no hope of that. It is only talk that hurts General Prem's feelings slightly. If the opposition says something that would upset General Prem and make him resign, that would be good for the Thai and it would be good that the government realized its own shortcomings. The present government does not feel anything; it is slow and a creature of habit. We can see the problems, who said what, who did what, but it seems that nobody corrects anything. The people are used to this.

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CSO: 4207/191

KHUKRIT COMMENTS ON MILITARY DOMINATION, CHAWALIT

Bangkok SIAM RAT in Thai 4 Mar 87 p 9

[Text] At the present time, there is talk every day among various groups, as well as expressed in newspapers, that some military officers are publicly commenting on politics.

The military officer making the comments is not a commissioned officer of my rank, but Gen Chawalit Yongchaiyuth, commander in chief of the army, the most powerful man in the army. And if we were to consider him in relation to other forces, including the police, we would have to say that this individual is more powerful than the commander in chief of the navy, more powerful than the commander in chief of the air force and more powerful than the commander of the police forces.

This is because he has more soldiers under his command than anybody else. And his soldiers are infantrymen, cavalry soldiers who command tanks, and other soldiers in the army.

These Are On Land.

Let me tell you something. Anybody who is thinking of staging a coup d'etat, carrying out reform or reconstruction or performing wizardry--which would eventually make him omnipotent--that person has to have behind him the entire army all over the country.

What About the Navy?

The Navy has only the fire power to destroy houses and cities. It may have the marines, but their number is smaller than the army. If they were to bring about a coup, they would only threaten to use the gunboats to fire at the city if power was not handed over to them. But if the opposition is not afraid, there is nothing the navy can do. If the navy were to send the marines in to capture a number of buildings, the other side having more land soldiers would send in their soldiers to regain control of the buildings. They would be defeated by sheer numbers. A coup would not succeed.

The same thing with the air force. It could only threaten to use aircraft to drop a bomb. If the government refused to relinquish power, the air force would

have to think hard whether to drop a bomb, because they would regret the loss of buildings. If they were able to send in the air force regiments to capture buildings, they would arrive after the bombing had destroyed the buildings. There would be only the remains of the buildings for them to capture. How much can they do with that?

Only the Army Can Pull Off a Coup D'etat.

Because the army has soldiers and weapons, as well as such vehicles such as tanks, armored vehicles, trucks, and enough officers and private soldiers it would be able to take over anything quickly, without anybody being aware of it. Once the takeover is complete, an announcement is made that a coup has taken place.

The places to capture are: The Government House, the Department of Public Relations, and all the communications equipment, the telex machines, telephone systems, radio and television stations--all of which have to be captured. If some still remain free, they can pose danger.

There is no need to waste the time taking over police stations. Simply call the director general of the Police Department to report to you, and that's enough.

You can even order him to carry his sword and to wear white gloves.

Once you have completed the takeover, you then use all the radio and television stations that you have captured to make the First Revolutionary Announcement, saying you have done it.

Announcements, you see, are very important. You have to prepare a great number of them ahead of time, before attempting a coup. After the Announcement No 1, Announcement No 2 must follow within half an hour. So you have to prepare enough of them so that you can make Announcement No 2, Announcement No 3, Announcement No 4, Announcement No 5 and so forth. The more announcements you have at the ready, the better, because you can save time. You can also interrupt the announcement reading process by repeating Announcement No 1. The most important thing is, "Do not run out of announcements." If you read only Announcement No 1, and then have no more intelligence to issue as Announcements No 2 and 3 to excite the people in the same way as when they watch boxing on TV, then the general public will be bored, and they think that you have been defeated.

In our country, there is nobody who would give odds to the defeated. At of 8 to 2 it would be difficult to find a bettor.

The kind of activity which I have described is most suitable for the army--any one in the army. If the army does not join you, you have no way of succeeding.

In relation to the academic theory which I have explained, when people with the rank as high as Gen Chawalit Yongchaiyuth, generally known as "Big Chieu," say something, a great many people listen. If he says something about a revolution or a coup d'etat, he started and affects many. And there are a lot of people who want to watch boxing on TV and make a bet. But there are a lot of people who would lie awake at night.

There are many people who have said the military should not get involved in politics, or talk about politics, that they should be neutral.

Well, what can you do about it--when the military have to be in the heart of the city to support the government, and not just for a day or 2, but for over 200 years, since Bangkok was established. The absolute monarchy was able to survive in Bangkok for 150 years because the military did not revolt. Then, after that the military themselves formed a government, some members became prime minister, and some were appointed ministers of important ministries.

I have never seen a government with a civilian prime minister last as long as a year.

Even the government formed by the Democrats, who have said that they are truly democratic, and that the military should be neutral, who have set up a government with the party chief as a civilian prime minister, has never lasted more than 4 months. Is this not true?

And the soldiers have to carry this weight and they naturally become frustrated with the strain as is natural in this situation. This frustration has to find an outlet, or it can be debilitating. If you bottle it up long enough it can cause a heart attack or a mental illness.

And so there has to be an outlet for this kind of frustration. A person who carries a heavy burden can relieve his frustration by crying out, "It's too darned heavy." Or he can rid himself of it.

General Chawalit Is In This Position.

Therefore, when General Chawalit relieves his frustration verbally it is a good thing. One should not criticize or guess and make a big thing out of it. This is because when he relieves his frustration verbally we can be sure that he will not relieve it physically. And everybody seems to be quietly afraid of this.

As for the substance of his verbal expression--it could be rather strong. Whether it lacks awareness or not, it is a human act; we should be sympathetic. Put yourself in his shoes.

"Big Chieu" is just an ordinary human being. He is not a "Big Spirit," you know.

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CSO: 4207/165

COMMERCE MINISTRY BUYS MORE RICE, EXPORT PRICES TO RISE

Bangkok SIAM RAT in Thai 10 Mar 87 p 9

[Text] The Ministry of Commerce has bought 140,000 tons of rice in its 10th round of buying and raised prices higher than the last round--again. It was revealed that the domestic prices are unusually better. Export prices are \$10 higher per ton.

On 9 March, Mr Pracha Chatutrakanchai, deputy director general of the Foreign Trade Department, disclosed that today he signed the announcement to buy 140,000 tons of rice for the 10th time for storage in warehouses, so as to accelerate the export of rice in accordance with the policy of the Board on Policy and Rice Measures, and to raise the price of paddy domestically. The department is buying milled rice for the second time this month. Delivery dates are from March 18-27. They are separated into these categories: 100 percent white rice of second grade, in the amount of 30,000 tons; buying price is 4,980 baht per ton; 5 percent white rice in the amount of 20,000 tons, at 4,850 baht per ton; 10 percent white rice, in the amount of 30,000 tons, at 4,750 baht per ton; 15 percent white rice, called special A 1, in the amount of 20,000 tons, at 3,150 baht per ton; 5 percent steamed rice, in the amount of 10,000 tons, at 4,250 baht per ton; and long-grain, 10 percent glutinous rice, in the amount of 10,000 tons, at 5,100 baht per ton.

"Exporters who wish to sell these types of rice may contact the department before noon on 11 March. As for the conditions for allocation, 50 percent will be allocated according to the stocks of those who expressed intention to sell on 2 March; the 50 percent remainder will be based on the export records of the period of 16 December 1986 to 28 February 1987," said Mr Pracha. He added since the department began to buy rice for warehouse storage in accordance with the Rice Policies and Measures Board, at present nine times altogether, the department has accumulated about 320,000 tons of rice in its warehouses that has not been contracted for sale.

Mr Pracha also referred to the 1 March-7 March period of exporting and said during that period, 127,667 tons of rice were exported. Of this amount, 49,342 tons were exported by the private sector; and 78,343 tons were exported by the government sector. It is expected that throughout the month of March, a total of 450,000 tons of rice will be exported.

The price of milled rice, both domestically and overseas, today is higher than last week's prices. The domestic price of rice in the Bangkok market: the 100 percent rice, second grade, is 8-13 baht higher per sack; by-product of milled rice is 3-5 baht higher per sack; steamed rice is 7 baht higher per sack; and glutinous rice is increasing in price, after it hold at the same price for several weeks. That is, the price of glutinous rice increased about 5 baht per sack. This is because Malaysia is about to make a bid to buy glutinous rice from Thailand, to be delivered toward the end of April in the amount of 15,000 tons.

"The prices of exports to foreign countries now appear to be moving up from the previous month by \$10 per ton. For instance, the F.O.B. price of the 5 percent rice sold by the private sector is now \$186 per ton (previously \$175 per ton); and the price of the 15 percent rice was \$176 per ton, an increase of \$11 and \$10 respectively," said Mr Pracha.

Another point, the price of rice paid by the Ministry of Commerce in its 10th round of buying were higher for all categories of rice than the prices given during the 9th round of buying. That is, the price of the 10 percent rice was higher by 30 baht (previously it was bought at 4,950 baht per ton); the price of the 5 percent rice per ton was 100 baht higher; the 10 percent white rice was 100 baht higher ; the 15 percent white rice was 150 higher; and the 5 percent steamed rice was 120 baht higher than the price given during the 8th round of buying.

12282/12951
CSO: 4207/165

EXPORT DEVELOPMENT, PROMOTION COMMITTEES CONSOLIDATED

BK260530 Bangkok BANGKOK POST in English 26 May 87 pp 14, 28

[Text] The Council of Economic Ministers yesterday approved a Commerce Ministry proposal to dissolve all export development and promotional committees and establish a single entity.

The new committee will be chaired either by the Prime Minister or a deputy premier authorised by the Prime Minister with the Export Promotion Department acting as secretary of the committee.

The council assigned the Commerce Ministry to work out details of the new committee as well as its authority and duties.

The council decided to assign the present Export Development Committee, which is chaired by the Commerce Ministry, to manage the Fund for International Trade Promotion.

At its meeting yesterday, the council also asked all ministries concerned with the country's development to study problems, both legal and regulated, which were hindering growth.

The council is seeking an adjustment in the Government's role in encouraging production and investment in agriculture, industry, trading, and services, the development of natural resources and the environment, and the development of rural areas.

The council also assigned the National Economic and Social Development Board the task of conducting a study of laws to see which should be improved to make them more fair and equitable.

The council approved a Finance Ministry request for a special budget to employ the Institutional Investor (II) to conduct a special report on Thailand for publication in September.

The Finance Ministry told the council that part of the expense of employing the Institutional Investor (II) would be borne by the private sector.

It said the Thai Chamber of Commerce, the Association of Thai Industries and the Thai Bankers' Association had agreed to provide 600,000 baht each, leaving the Government to shoulder the remaining 1,825,000 baht.

The council acknowledged the formation of a committee by the Finance Ministry to restructure the economic relationship between Thailand and Japan.

The committee is chaired by the Foreign Minister and comprises 22 members.

The Foreign Ministry also reported that it had formed a committee to restructure the economic relationship between Thailand and the United States.

The committee has the authority to screen policies and guidelines used to create economic and trade relations with the United States for proposal to the council, to solve economic and trade problems between Thailand and the United States, and to act as coordinator for negotiations between the Thai private sector and government agencies and U.S. officials.

The committee is chaired by the Foreign Minister and comprises 18 members.

/6662

CSO: 4200/595

THAILAND

BRIEFS

ARMY'S OFFICIAL STAND ON CHINA--A spokesman of the Royal Thai Army [RTA] yesterday clarified that the RTA's official stand towards China is a friendly and mutually beneficial one. He was referring to a report published in THE NATION on May 21 [as published] which carried the assessment on Thailand's relations with superpowers and the situation in Indochina by Assistant Army Chief-of-Staff Lt Gen Panya Singsakda. The spokesman said Lt Gen Panya was airing his views as part of an academic exercise co-organized by the Institute of Security and International Studies of Chulalongkorn University and an academic institute of the RTA. THE NATION based its report on a paper prepared for Lt Gen Panya's delivery. The spokesman said the general, in his actual delivery, offered an overview of Thailand's relations with the superpowers rather than concentrating on any particular country. His allusion to China was mentioned in passing in his speech in the context that Vietnam opposes Moscow, according to the spokesman. Lt Gen Panya was quoted in the newspaper report as saying that Peking was still a long-term threat to Thailand. [Text] [Bangkok THE NATION in English 27 May 87 p 1 BK] /6662

PRC AMITY DELEGATION--The delegation of the Chinese People's Association for Friendship with Foreign Countries led by He Ying, adviser of the association and vice chairman of the Overseas Chinese Committee of the National People's Congress, paid a courtesy call on Parliament President Ukrit Mongkhonmawin at the National Assembly building at 1000 on 12 May. Later, the delegation called on Major General Chatchai Chunhawan, deputy prime minister and chairman of the Thai-Chinese Friendship Association. They talked on the good relations between the two nations. At 1900 on 12 May, Maj Gen Chatchai held a banquet in honor of the delegation at the Ambassador Hotel. [Summary] [Bangkok ZHONG HUA RIBAO in Chinese 13 May 87 p 4 BK] /6662

CSO: 4200/595

COMMENTARY ON NGUYEN VAN LINH'S USSR VISIT

BK271425 Hanoi International Service in English 1000 GMT 27 May 87

[Station commentary]

[Text] Right after Vietnamese party General Secretary Nguyen Van Linh left Moscow for home, concluding his visit to the Soviet Union, the Political Bureau of the CPSU Central Committee met and highly appreciated the fine success of the visit. At its 26 [date as heard] May meeting, the Political Bureau of the CPV Central Committee affirmed that the fine success of this visit is a political event of great significance marking a new qualitative development of the Vietnamese-Soviet cooperation in the interests of the socialist community, peace, and security in the region and the rest of the world. This is clearly stressed through the high-level Vietnamese-Soviet talks and the separate talks between party General Secretaries Nguyen Van Linh and Mikhail Gorbachev, the documents on economic cooperation between the two countries, and the joint Vietnam-USSR statement.

The overall success of General Secretary Nguyen Van Linh's visit to the Soviet Union is the identity of views of the two parties on the current process of renewal and restructuring which has unfolded in all respects of social life in both Vietnam and the Soviet Union, on matters related to bilateral cooperation, and on international issues of mutual concern. At the talks, General Secretary Mikhail Gorbachev and other Soviet leaders fully supported the correct line of the Sixth Congress of the CPV and the resolution of the second plenum of the party Central Committee in solving urgent problems relating to the circulation and distribution of commodities. They also expressed support to the CPV's renewal, its effort for renovation, and its measures and policies, including the three major economic programs. This is an important factor enhancing the identity of views between the two parties and a basis for comprehensive cooperation between Vietnam and the Soviet Union.

Another notable success of the visit is the two sides' determination to strengthen friendship and cooperation and develop and widen Vietnamese-Soviet cooperation in all fields, shifting it into new forms and modes in the spirit of profound renewal. The two sides agreed on fundamental problems and measures to develop qualitatively and effectively the economic cooperation between the two countries. They signed agreements on economic cooperation and reached orientations on other concrete fields of cooperation.

All this affirms that Vietnam and the Soviet Union have found measures to upgrade the quality and efficiency of Vietnamese-Soviet economic cooperation which will not only broaden but also deepen and become more stable and efficient for the benefits of both sides and in accordance with the requirements of the new period. The renewal of this cooperation will create favorable conditions for Vietnam to stabilize and develop production and implement the three big economic programs.

Alongside those achievements, as the Political Bureau of the CPV pointed out, the Vietnamese-Soviet summit has reached identity of views on matters related to bilateral cooperation and on all international issues of mutual concern. They also renewed their determination to coordinate action in the common struggle for world peace, security, and cooperation in Asia, the Pacific, and elsewhere in the world. Vietnam and the Soviet Union also supported the policy of national reconciliation of the PRK and affirmed their solidarity with the struggle of nations for national independence and social progress.

The success of Vietnamese party General Secretary Nguyen Van Linh's visit to the Soviet Union is the beginning of a new step of development in quality of Vietnamese-Soviet cooperation. The Vietnamese people will always bear in mind the statement full of warm sentiments of Soviet party leader Mikhail Gorbachev that with a clear conscience, the Soviet Communists and people have done everything possible to help the Vietnamese people's rightful struggle during the years of the war and in the following period of economic rehabilitation. That will also remain the case in the future, Mikhail Gorbachev added.

For his part, Vietnamese party General Secretary Nguyen Van Linh affirmed that the Vietnamese Communists and people pledge to be forever loyal to the policy of uniting closely and cooperating in all fields with the Soviet Union, and to fulfill their task in raising the efficiency of cooperation in the interests of the two peoples, of socialism, and the cause of peace and progress throughout the world.

/8309

CSO: 4200/597

COMMENTARY ON IMPORTANCE OF SRV-USSR COOPERATION

BK261409 Hanoi International Service in English 1000 GMT 26 May 87

[Station commentary]

[Text] The economic cooperation between Vietnam and the Soviet Union and between Vietnam, Laos, and Kampuchea and the Soviet Union is of extreme importance in the interests of socialism, peace, and stability in Indochina, Southeast Asia, and the rest of the world. This assessment was made by the Political Bureau of the CPV Central Committee at a meeting on 7 May.

Realities of the Vietnamese revolution over the past 40 years show that each victory, big or small, of the Vietnamese people is inseparable from the Soviet Union's assistance. Particularly, since the signing of the Vietnam-USSR Treaty of Friendship and Cooperation in March 1978, the relations between the two countries have entered a new period of development in quality.

The past 10 years was a short period of time as compared with the past several decades of development in the relations between the two countries. But in this short period of time many important events in the cooperation between the two countries have been taking place. Today, we can see the results of the implementation of the Vietnamese-Soviet Treaty of Friendship and Cooperation in all fields. The relations between the two parties and states have been expanding. The scientific, technological, and cultural cooperation between the two countries has been strengthened. Worthy of note is the economic cooperation.

The Soviet Union is helping Vietnam build many key projects of the national economy such as the Hoa Binh and Tri An hydroelectric power plants, the Vietnam-USSR Oil and Gas Joint Venture in southern Vietnam, and so on. At these projects many Vietnam-Soviet socialist international units have been formed, outstanding for their creative labor and strong will. They show the spirit of renewal on the production front of the Sixth Congress of the CPV and the 27th National Congress of the CPSU.

At the construction site of the Hoa Binh hydroelectric power plant, there are many symbols of socialist internationalism. Mr (Bagachenko), head of the Soviet experts group, has been working at this construction site for 8 years now. Many others have been there for 4 or 5 years. They have been working with self-abnegation, for they understand that this project is of great importance to the cause of building and defending socialist Vietnam. Once completed, the

plant will have increased by one and a half times the present electricity output in Vietnam, creating necessary conditions for the industrialization of Vietnam.

In early May, during his visit to this project, General Secretary of the CPV Nguyen Van Linh affirmed that whether Vietnam advances toward socialism quickly or not partly depends on the contribution of this project and of the Soviet experts.

To Vietnam, the Soviet Union's assistance is invaluable. Yet, another invaluable thing is the sincerity and internationalist sentiments of the Soviet people toward the Vietnamese people and other nations.

On 25 May the Political Bureau of the CPV Central Committee acclaimed the fine success of the recent visit to the Soviet Union by party General Secretary Nguyen Van Linh as an important political event marking a new qualitative development of the Vietnam-Soviet cooperation. The results of this visit create favorable conditions for the Vietnamese people to carry out the resolutions of the Sixth Party Congress and the second plenum of the party Central Committee, thus actively contributing to the cause of building and defending the socialist country.

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CSO: 4200/597

POLITICAL

VIETNAM

ENVOY TO THAILAND HOLDS PRESS BRIEFING

BK191617 Vientiane Domestic Service in Lao 0000 GMT 19 May 87

[Text] According to a TASS report from Bangkok, Le Mai, SRV ambassador to Thailand, recently told a press conference in Bangkok that in coordination with Laos and Cambodia, Vietnam has approved the holding of talks and discussions with China and other countries in the region on the principles of equality, respect for each other's independence, sovereignty, and territorial integrity, and mutual understanding for the goal of jointly seeking a solution to the Cambodian issue and of establishing Southeast Asia a zone of peace, stability and cooperation.

Ambassador Le Mai continued to say: The SRV Government supports the PRK's stand and attitude regarding the realization of national concord on the basis of eliminating the Pol Pot grouping. The refusal of some external forces to get rid of the Pol Pot group from this step of work has become the main obstacle to the path of political settlement on the situation around Cambodia.

Le Mai said that Vietnam supports all political steps and all initiatives aimed at improving the international situation and at promoting peace in the region and the world.

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CSO: 4200/597

POLITICAL

VIETNAM

NGUYEN VAN LINH VISITS ARTS, CRAFTS FAIR

OW261738 Hanoi VNA in English 1521 GMT 26 May 87

[Text] Hanoi VNA May 26--Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, this morning visited the second national arts and crafts fair at the Giang Vo Exhibition Centre in Hanoi.

He was accompanied by Doan Duy Thanh, member of the CPV C.C. and vice chairman of the Council of Ministers.

More than 5,000 products produced by 37 cities, provinces and special sector are exhibited at the fair. The party leader paid special attention to lacquerware, ceramics and other arts and crafts made from local materials.

Speaking to cadres of the fair, he commended efforts of the small industrial and handicraft services and concerned bodies of the localities which take part in the fair. He expressed the hope that the small industrial and handicraft service would further develop and make bigger contributions to meeting the demand for consumer and export goods.

After calling at the pavilions of Laos, Kampuchea, Hungary, Bulgaria and Czechoslovakia, Nguyen Van Linh expressed satisfaction at the cooperation between Vietnam and other socialist countries in this field and wished for further development in the interests of each country and the socialist community as a whole.

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CSO: 4200/597

GROWTH OF EIGHTH PRECINCT CPV REVIEWED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Mar 87 p 2

[Article by Tuong Van: "CPV Organization in Eighth Precinct Looks Straight At Facts, Overcomes Weaknesses in Party Building"]

[Text] Last year, the CPV organization in the eighth precinct admitted only 40 new members. That figure was much lower than the norm assigned by the precinct party organization--150 new admissions--and was a retreat from the 1985 performance with 102 new party members.

A conference reviewing the 1986 CPV organizational work in the eighth precinct concluded: "this was a shortcoming in party building."

In fact, if the conferees maintained their old way of reasoning they could attribute that weakness to an assortment of objective causes--spending considerable time on criticism and self-criticism, having their own hands full with party congresses at various levels, and holding too many indoctrination waves to grasp the spirit and directives of party resolutions and to renovate thinking. They could even take refuge behind difficulties in production and living standards stemming from the errors of the price-wage-money policy.

However, the conferees did not do so. Instead, they looked straight at the facts, courageously acknowledging their weaknesses and honestly seeking effective remedy in order to speed party growth.

Basic Installations Hold the Key

The eighth precinct has 67 basic party installations, 45 of which recorded no new admissions last year. This is the most graphic illustration that party building in basic chapters is flawed. The phenomenon of rank-an-file members relying on committee echelons and of committee echelons relying on committee secretaries is still rather widespread. Although party installations adopted resolutions on party building, they devised no plans to implement them. Many installations did not send out party members to oversee, indoctrinate, and help would-be applicants; nor did they investigate their backgrounds actively, creating last-minute obstacles to many new admissions.

Party cells play an important role in identifying progressive aspirants for indoctrination and preparation for membership. Nevertheless, arrogating to themselves that role some party committee echelons at chapter and upper levels deemed it fit to find potential applicants and direct party cells to do the processing. Conversely, many party cells relied entirely on committee echelons, failing to contact, discover, and supervise would-be applicants. In the eighth precinct (and other precincts and districts in the city) many cell chiefs were retired party members. While these senior but still dynamic party members stayed close to potential applicants to help and educate them wholeheartedly, quite a few comrades were overcautious, ready to stop the admission process whenever a minor hurdle turned up; worse yet, others even held up their past meritorious achievements to be compared to those of today's youth, often losing sight of the need to carry out political tasks in the new stage. Party building is a yardstick to measure the maturity and growth of basic party installations. Therefore, party members, cells, and committee echelons at the basic level must renovate their thinking on that matter.

No Workers Are Admitted

In 1986, throughout the eighth precinct only one new party members from agriculture was admitted. The rest hailed from organs, the armed forces, and the distribution and circulation sector. And there was not a single party member from industry, small industry, and handicrafts.

Precinct-wide, the percentage of party members in industry, small industry, and handicrafts was too small and the percentage of those involved directly in production was even smaller. At the conference, all delegates recognized that weakness; however, some persisted in contending that party building was very difficult because small industry and handicrafts were characterized by considerable dispersion and heavy family relationship. True, their unique structure calls for a unique approach to party building--different from the one in effect in the administrative and technical sector. But just because of that difference we must renovate our thinking and work and stop arguing that no party building is possible in small industry and handicrafts. In industry, basic chapters were not able to bring in new party members, in spite of progressive production formulas and a high concentration of manpower.

The resolution of the Fourth CPV Precinct Congress pointed out clearly: "We should bend over backward to accelerate the production of industry, small industry, handicrafts, and agriculture according to the motto, "All for Production, All for Victory." To carry out that resolution successfully, we should commit more party members to that work, especially to production. That organizational transfer will impact positively on party building in industry, small industry, and handicrafts.

Act in Concert with Basic Installations to Remove Snags

One of the many causes for a very low admission rate compared with norms resided in lopsided and poor quality control. Whenever committees of CPV precinct organizations were sent into the grass-roots level, they resigned themselves to supervising and advising, avoiding direct involvement instead of banding together with basic installations to remove difficulties as the situation required. The concept of association is a new requirement and a shift from the notion of oversight which precinct committees and sectors have so far put in practice.

Precinct committees and sectors should actively and diligently control how party resolutions are implemented at the basic level. A widespread practice is that often control committees go into the grass-roots level to investigate negative cases in response to the people's denunciations, and not to team up with basic installations to implement the resolutions put forward by precinct and municipal party organizations.

Party building within the party organization of the eighth precinct in the days to come will certainly take a turn for the better since everyone now understands why that effort has slowed, since mass organizations and compatriots from various strata, mostly productive youths, are determined to accelerate the emulation movement, since party committee echelons at the basic level have introduced new blood into their perceptions and activities, and since precinct committees and sectors have renovated their workstyle.

9213/12951

CSO: 4209/403

HOANG DONG SCHOOL IS MAJOR PROPAGANDA CENTER

Hanoi NHAN DAN in Vietnamese 21 Mar 87 p 3

[Article by Duong Duc Tho: "The Hoang Dong School, a Cultural Propaganda Center"]

[Text] The general school of Hoang Dong is located on Route 1A, north of the city of Lang Son. The school has 36 classes with 1,017 students, the majority of whom are of the Tay and Nung ethnic minorities, and 50 cadres and teachers.

In the past, the school's activities in the areas of culture, entertainment, and information have illustrated its effective role as a cultural propaganda center within the teacher-student community as well as its ability to serve the political mission of the locality. The school has a propaganda team consisting of 10 teachers and students who wholeheartedly love participating in cultural events. The team is led by the school principal, Nguyen Duy Cuong. Even though the means needed for cultural activities are few, the propaganda team has established close ties with the armed forces stationed in the area, and they have skillfully coordinated many propaganda activities such as propaganda events, propaganda through word-of-mouth, art exhibits, and broadcasting.... Whether it be day or night, they tirelessly travel to all the villages in the community, even to the farthest outposts to serve the soldiers. In addition to these primary activities, the school is also responsible for broadcasting news and information through public loudspeakers and the private family grapevine throughout the community, and for establishing a school club with regularly scheduled high-quality activities. We were very moved when we had the honor of attending a cultural performance by the school's teachers and students and saw their shining faces and heard their voices filled with optimism and joy. These were people who live, work, and study within reach of the enemy's artillery.

For many years, the Hoang Dong Cooperative General School has been awarded certificates or praise by the Ministry of Culture for successfully organizing cultural activities in the border area, and certificates of praise by the Ministry of Education for excellence in teaching and studying.

The school's material base is still poor, and the students still have to study in four shifts. Considering the location of the school and the sincere

efforts of the teachers to nurture and mold into modern individuals the ethnic minority children, the country's future subjects, the school is deserving of further attention from the local authorities in order to become a model socialist school in this border area.

12654/12951

CSO: 4209/439

WARD DISCIPLINARY ACTION REVERSED AT MUNICIPAL LEVEL

Hanoi NHAN DAN in Vietnamese 11 Apr 87 pp 3,4

[Article by Vung Giang: "From Investigation of Disciplinary Action Taken Against a Party Member: Loyalty and Comradeship"]

[Text] The control committee of the Hoan Kiem, Hanoi, Ward Party Committee was recently required to investigate a case of disciplinary action against a party member. The party chapter of the Hanoi Clockmaking Enterprise expelled party member Le Huu Thanh from the party. Le Huu Thanh complained, claiming that he had been attacked by the enterprise leadership. The standing committee of the ward committee provided direct guidance, establishing an investigative body to look into this disciplinary action and inviting inspectors of the municipal industrial service to participate. The investigation went on for 8 months. Based on the findings of the investigation, the standing committee of the ward committee agreed that party member Le Huu Thanh had some shortcomings, but did not approve the recommendation of the clockmaking enterprise's party chapter that he be expelled from the party, because the comrade's shortcomings were not grave enough to require disciplinary action, but should be subjected to public review and analysis in order to derive lessons learned.

Then the ward committee received a collective memorandum from the clockmaking enterprise expressing disagreement with the findings of the investigative body and the contents of the disciplinary-action report published in the city's party newspaper. It was time for the standing committee of the Hanoi Municipal Committee to convene a meeting of representatives of the ward committee and the investigative body of the ward committee, representatives of the leadership of the clockmaking enterprise, representatives of party departments (organization, investigation, industrial economy), and representatives of the Municipal Industrial Service to hear a presentation of this case and to discuss it. Conference participants agreed that investigating the character of party members affects a person's political life and is an action that must be conducted with utmost caution and objectivity, with reason and sympathy. But once analyzed substantively, Le Huu Thanh's errors criticized by the clockmaking enterprise's party chapter proved not to be so great. Some matters were insufficiently substantiated, and all had specific

circumstances, so nothing was so difficult or complicated that it could not be investigated and resolved. What is more important here is that this investigation of disciplinary action uncovered real problems in the implementation of policies, directions, and processes in party life, disciplinary actions in the party, and party-building in general on the basic level. The standing committee of the Hanoi Party Committee provided guidance that a serious effort was to be made to derive experience in this matter and lessons were to be learned for the benefit of all other places.

A Brief Summary

Employed in this enterprise for nearly 5 years, Le Huu Thanh had made significant contributions to the protection of the enterprise, retaining the property of the enterprise and preventing theft and grand larceny. He was successful in uncovering a number of violations and reported them to the leadership of the enterprise. He did not deal with illegal elements and did not practice corruption or under-the-counter deals with materials and property of the enterprise. These accomplishments won him recognition from the enterprise. He was voted a progressive worker in some years. Since 1984, Comrade Thanh has developed some shortcomings. His awards were curtailed by the director of the enterprise, his wages were cut, and he was reduced in rank. Finally, the party chapter concluded that there had been three major violations and reached the resolution to expel Thanh from the party.

These are the details of the incident. Early in 1984, Comrade Thanh had leave to return to go to his home town celebrate Tet in conjunction with a vacation. On the 30th day of Tet, his shift ran until 2400 hours. The train left from Hanoi to Thanh Hoa at 2100 hours. Comrade Thanh therefore left the enterprise to get to the Hanoi station 4 hours before the end of his period of duty. In this regard, the enterprise director also stated that he had told Thanh that he could only take leave after Tet, for Thanh was a guard and a party member, required to remain at the enterprise over the Tet period. Nevertheless, an investigation of the Tet-period cadre and personnel shift assignment sheet of the enterprise failed to reveal Thanh's name, and Thanh never received pay for the Tet duty. The work-division sheet and remuneration sheet were signed and paid before Tet, with the approval of the enterprise leadership.

In August 1985, Thanh received word that his 70-year-old mother was ill at home. Regarding this matter, Comrade Thanh stated that upon receipt of the telegram that day, he looked for the enterprise director to report and ask for leave, but could not find him. Thanh reported to the assistant director in charge of organization at the enterprise, asking for papers of introduction for buying travel tickets, discussed guard duties with his assistant in the afternoon, and returned at night to write out instructions, which he left on his desk in the guard office. He only used compensatory leave for this period, so he did not have to pick up leave papers, since he did not have to account for train fare.

The enterprise director accused Thanh, a guard, of leaving the enterprise without the director's permission. Thanh did not have many days of compensatory leave, because his overtime had already been converted to wages, so the days he took off had to be entered as leave for 1986. For both these incidents, thanh was considered to have committed "violations of management structure and arbitrarily abandoning his duty." Comrade Le Huu Thanh conducted a self-critique and recognized his shortcomings as a first offense of leaving his shift of duty 4 hours early (because of the departure time of the train) and a second offense of suddenly leaving for home to visit his sick mother without requesting permission directly from the director (for the reasons mentioned above).

The second issue raised was the matter of accepting a bribe of 500 dong from Nguyen Van Chien when Thanh introduced Chien to the enterprise to arrange a contract. This issue was substantiated by a letter of accusation written by Nguyen Van Chien to the enterprise and a letter from the Chien family relating a visit by Thanh to their house to ask for money. Comrade Le Huu Thanh denied this accusation throughout the proceedings. He testified that Nguyen Van Chien had himself stated that he had written the accusation because persons from the enterprise had approached him and coerced him to write it. The investigative body of Hoan Kiem Ward did not obtain any other concrete documentary verification of Chien's allegations.

The third issue was the reactionary attitude of Le Huu Thanh toward the matters brought up to him and towards the findings and objections made by the leadership of the enterprise against him. This was characterized as "extreme obstinacy and dishonesty."

How did such an outwardly simple issue become so complicated? In order to obtain more evidence to strengthen the prosecution's case against Comrade Le Huu Thanh, in addition to the main issues raised above, the leadership of the clockmaking enterprise went out personally and sent others out to investigate more widely into his background, going back to the time Thanh was in the Thuy Dien Pediatrics Hospital, re-surfacing the issue of Thanh's interrogation regarding his infirmity, and even digging up public testimony on Thanh's unwholesome activities in the collective housing area of the enterprise, which had been reviewed and cleared up long ago. For this reason, the investigating body of the ward committee had more matters to look into. Both sides, the leadership of the clockmaking enterprise and the investigative body of the ward committee, arrived at the conference with thick dossiers. Some documents regarding identical matters differed from each other in contents and analyses by 180 degrees. Lack of respect for honesty and failure to observe objectivity made the matter confused and complicated, hung up on fragmented details far removed from the substantive issue. Analysis and evaluation of whether or not there were shortcomings by objectively looking straight at the truth with compassion and rationality lost credibility due to those very documents and evidence, making it difficult to get at the truth and clarify it.

What Were the Differences

Aside from some ideological motives clarifiable only by serious self-critique on the part of each individual person with a clear conscience and the high integrity in the spirit of the party, it can be said that the main differences of opinion that led to a failure to reach a unanimous conclusion were the differing knowledge and viewpoints on principles and procedures.

The leadership of the clockmaking enterprise summarized that party member Le Huu Thanh had violated management structure and neglected duty in two instances of taking time off from work, arguing on the basis of the enterprise's need to maintain discipline and behavior in accordance with the restrictions of the director, given management authority by the instructions and decisions of the party and the state.

This rationale was completely correct. The most critical thing for all production units to ensure today is the development of initiative and positive action to develop production, and efforts must be made at the same time to counter all negative phenomena and to restore discipline and order. It is certain that investigations are necessary to evaluate the success of the cadres and workers of the clockmaking enterprise in maintaining labor discipline. Yet in the specific case of party member Thanh, the actions of the enterprise leadership were relaxed and violated regulations. In fact, Le Huu Thanh was guilty of no violation of "management structure." In the two instances of taking off from work, he violated the schedule and discipline, and did not report his request for leave to the director. Yet in the two instances of taking leave, though he faced public critique, he received regular pay, all his papers were in order, and he had clearly signed the work credit chart, so he considered his leave properly approved. The investigation of the violations, not taking into consideration the concrete circumstances, slipped into mechanical and blind application of principles, with a lack of concern for persons. Party member Le Huu Thanh had criticized his definite failures, but could not accept such an extremely grave degree of guilt as summarized, and therefore could only consider appeal and clarification. His sense of responsibility and the extent of his liberalism did not receive intensive enough instruction for sufficient understanding. Subsequently, the fact that the enterprise leadership took upon itself to cut his salary and rank and take disciplinary action against party member Le Huu Thanh, a cadre member of the authorities of the management installation, without reporting these actions to echelon directly above them and without setting up a disciplinary council for investigation, were clearly violations of management structure.

It is extremely necessary for any organization to maintain discipline, which determines whether or not the organization will endure. But by what means? Certainly not by any means divorced from the views and policies of the party, which call for respect and thorough implementation of democratic socialism,

increasing the education of each worker in the concept of the honor system on the basis of high recognition of the responsibilities and rights of the state, the collective, and the individual, and fully implementing all regulations. When there are violations, party members must sincerely report and review them, conduct an investigation in a truly fair way, with reason and sympathy, decide on a proper degree of disciplinary action, and continue to keep close to the person with shortcomings, helping him to progress. If the head of a family takes disciplinary action in a purely administrative way and arbitrarily imposes severe punishments as a warning, he only generates opposition from the person, and the punishment does not have an educational quality, does not persuade other persons, and cannot contribute toward an increase in solidarity and the maintenance of discipline.

Discipline Is for Education

Criticism and disciplinary action in the party is to educate party members, capitalize on strong points, eliminate shortcomings, make party members progress, increase the combat strength of the party, and increase solidarity. That is the basic principle of a genuine Marxist-Leninist party founded on the party members' lofty regard for the honor system and the concept of disciplined organization. Naturally, degenerate and deviant elements must be resolutely expelled from the party. In the investigation and disciplining of party member Le Huu Thanh at the Hanoi Clockmaking Enterprise, those principles and policies were not fully respected. This responsibility rests with the party chapter and the chapter committee of the enterprise.

The party chapter and the chapter committee of the clockmaking enterprise did not fully exercise their function of control leadership, including the control of one who was the leader of a unit implementing policies and programs according to rules and regulations promulgated by the state. In taking disciplinary action against party member Le Huu Thanh, the party chapter and chapter committee failed to maintain its enlightened, fair democracy when investigating the opinions, observations, and actions of the director. Efforts to educate party members were not thorough and careful, but only emphasized shortcomings, failing to activate democracy in an objective and impartial way in order to contribute to collective intelligence and discrimination between right and wrong. The charges were coercive in nature, ordering the person with shortcomings to appear before the magistrate, that is, compelling them to come and protest and then, based on that attitude, compelling him to resist more strongly. Working methods were also wrong. The chapter committee even violated regulations of the party. After disciplining party member Le Huu Thanh, before reporting it to the next higher echelon for approval, they used it as a pretext for ideological activity by announcing it to the masses, to "inform the people"; the chapter committee did not call in party member Thanh to meet the party chapter, but immediately released a strongly worded public statement of Thanh's guilt, and furthermore announced that if the subject did not reform and continued to repeat offenses (meaning, if he continued to object and complain), the director would compel him to

stop working. Based only on the actions performed, it can be said that the attacks on Le Huu Thanh were a basis for a decision.

It can also be said that part of the responsibility here lies with the upper echelon. In the case of the disciplining of party member Le Huu Thanh, the current affairs committee of the Hoan Kiem Province Committee provided good guidance, but it did not get deeply involved in order to arrive at decisions conduct close analysis.

9830

CSO: 4209/444

BRIEFS

PARTY MEMBERS HONORED--To commemorate President Ho Chi Minh's 97th birthday the standing body of the Ho Chi Minh City Party Committee has decided to award the party badge to 153 longstanding party members, including 2 with 50 years of party membership--Comrade Huynh Sa of the Go Vap District party organization and Comrade Huynh Thi Nhieu of the Hoc Mon District party organization--and 151 with 40 or more years of party membership. Among the party members who receive the 40-year party membership badge this time are Comrade Vo Tran Chi, secretary of the city party committee, and Comrade Le Van Quyet, vice chairman of the city people's committee. The 3d Precinct claims the largest number of awardees this time with 19 party members receiving the party badge. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 25 May 87] /8309

WEST BERLIN OFFICIAL GREETED--Comrade Nguyen Van Linh, general secretary of the party Central Committee, recently sent the following message of greetings to Comrade Horst Schmidt, chairman of the Socialist Unity Party of West Berlin. Comrade, on the occasion of your re-election as chairman of the Socialist Unity Party of West Berlin, I would like to send you my warmest congratulations. May you enjoy good health and accomplish many achievements in your responsibility-laden position. My communist salutations, comrade. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 20 May 87] /8309

SRV-USSR COOPERATION HAILED--The Soviet vice minister of light industry has highly valued the newly signed agreement on cooperation between the Soviet Union and Vietnam in manufacturing light industrial goods. In an interview with the Soviet newspaper SOTSIALISTICHESKAYA INDUSTRIYA on 22 May, the Soviet vice minister said: This is the first document of this kind signed between the two countries. [Text] [Hanoi International Service in English 1000 GMT 26 May 87] /8309

SRV-BULGARIAN FRIENDSHIP COMMITTEE ANNIVERSARY--Hanoi VNA May 26--A film show was arranged here today under the joint auspices of the Vietnam Committee for Solidarity and Friendship with other peoples and the Vietnam-Bulgaria Friendship Association in celebration of the latter's 10th founding anniversary. Present on the occasion were representatives of the Foreign Ministry, the international department of the party CC, other public offices and mass organizations. Members of the Bulgarian Embassy here were on hand. [Text] [Hanoi VNA in English 1519 GMT 26 May 87] /8309

BULGARIAN PRESIDENT PRAISES SRV--Hanoi VNA May 26--"Bulgaria highly appreciates the Sixth Congress of the Communist Party of Vietnam which has spelt out the party's determination to carry out renovation in every aspect of social life," said Bulgarian President Todor Zhivkov while receiving Vietnamese Ambassador Nguyen Tien Phong in Sofia recently. The Bulgarian leader, while speaking to his Vietnamese guest, expressed satisfaction at the constant enhancement of the Bulgarian-Vietnamese ties on the basis of Marxism-Leninism and socialist internationalism. He said Bulgaria highly valued the efforts of Vietnam and the other Indochinese countries to embark on political dialogue with other southeast Asian [word indistinct] aimed at turning southeast Asia into a region of peace, good neighbourhood and cooperation. [Text] [Hanoi VNA in English 1531 GMT 26 May 87] /8309

BULGARIAN DONATION--Hanoi VNA May 26--People of Pazardzhik Province and the Red Cross of Bulgaria have sent a 26-ton consignment of cloth, foodstuffs and medicaments as gift to the northern Vietnam province of Thai Binh which was hit by typhoons and floods. Georgi Vasev, Bulgarian ambassador to Vietnam, has presented the gift to Nguyen Manh Rinh, chairman of the Thai Binh People's Committee. [Text] [Hanoi VNA in English 1518 GMT 26 May 87] /8309

CPV DELEGATION TO WEST BERLIN--Hanoi VNA May 27--A delegation of the Communist Party of Vietnam attended the 8th congress of the Socialist Unity Party of West Berlin held from May 15-17. It was led by Dang Huu, member of the C.P.V. Central Committee and chairman of the State Commission for Sciences and Technology who conveyed to the congress the warm greetings from the C.P.V. Central Committee. While receiving the Vietnamese guests Horst Schmidt, chairman of the S.U.P.W.B., reaffirmed that Vietnam has always been in the hearts of all communists of West Berlin. He wished the Vietnamese people ever bigger success in their revolutionary cause. [Text] [Hanoi VNA in English 1516 GMT 27 May 87] /8309

CPV DELEGATION ATTENDS GREEK CP CONGRESS--Hanoi VNA May 27--A delegation of the Communist Party of Vietnam led by Nguyen Dinh Tu, member of the CPV Central Committee and director of the State Institute of Atomic Energy, attended the 12th congress of the Communist Party of Greece held in Athens from May 12-16. He conveyed a message of greetings from the CPV Central Committee to the CPC Congress and a congratulatory message from CPV General Secretary Nguyen Van Linh to General Secretary Harilaos Plorakis. Speaking at a mass meeting welcoming the congress's success, Nguyen Dinh Tu praised the indomitable fighting spirit of the communists and working people of Greece. At a cordial reception given to the CPV delegation, Andonis Abaticlos, Political Bureau member of the CPG Central Committee, extolled the Vietnamese people's heroic struggle and the fine relations between the two parties and peoples of Greece and Vietnam. [Text] [Hanoi VNA in English 1511 GMT 27 May 87] /8309

MONGOLIAN PARTY CONGRESS ANNIVERSARY--Hanoi VNA May 28--A get-together was held here today by Mongolian Ambassador Geleguine Adya on the occasion of the first anniversary of the 19th Congress of the Mongolian People's Revolutionary Party. Present were Nguyen Quang Tao, deputy head of the International Department of the Communist Party of Vietnam Central Committee; Le Xuan Dong, deputy head of the party Central Committee's propaganda and training commission, Nguyen Quang Xa, president of the Vietnam-Mongolia Friendship Association, and others. Taking the floor, Ambassador Geleguine Adya highlighted the great achievements in all fields recorded by the Mongolian communists and people in the implementation of the resolutions of the 19th M.P.R.P. Congress. He noted with pleasure the fine development of the relations between the two parties and peoples on the basis of the Mongolia-Vietnam Treaty of Friendship and Cooperation considering it an important factor for increasing the strength of the socialist community as a whole. [Text] [Hanoi VNA in English 1454 GMT 28 May 87] /8309

CSO: 4200/597

MILITARY REGIONS IMPROVE MILITIA, SELF-DEFENSE FORCES

Hanoi NHAN DAN in Vietnamese 12 Feb 87 pp 1, 4

[Text] The northern border provinces and Military Regions 3, 5 and 9, together with the localities, recently intensified the building and strengthening of the militia and self-defense forces in connection with developing their assault role in productive labor and protecting security at the primary level.

On the northern border, the provinces of Hoang Lien Son and Quang Ninh are amassing hundreds of cadres to go down to villages to build militia forces and combat villages in conjunction with building the political base. The militia and self-defense forces in Ha Tuyen have undergone continuous training and are maturing rapidly in every respect. The militia from 33 villages on the border is firmly defending the territory and thwarting many enemy encroachments. In particular, the militia from strategic villages are coordinating with tribesmen, army units, and the public security to systematically apprehend many reconnaissance and commando groups and contain the enemy's acts of espionage and psychological warfare. The frontline militia and self-defense forces are stepping up the opening and expansion of cultivable areas in order to make up for the area near the border which has been destroyed by the enemy. Militia units toward the rear are involved in contributing hundreds of thousands of man-days to build the signal and liaison network and plant hundreds of hectares of forest.

Many militia units on combat alert in Military Region 3 are engaged in production, are enlarging new economic zones, and are continuously ensuring self-sufficiency in grain while also having it in reserve for combat. The military region is building hundreds of mobile militia companies and battalions which are combat ready, are engaged in and protect production, and are ready to provide support to the frontline.

The Military Region 5 command and party committee are coordinating closely with local party committee echelons and the military organs of the provinces to carry out many uniform measures with a view toward boosting the quality of the ranks of militia and self-defense cadres at the primary level. The military region is holding symposia in the central highlands, the delta, and coastal area to examine the process of building the people's combat footing and formulating plans to defend each type of territory, and to ensure that cadre training is tailored to reality and the special characteristics of each

area. The military region, along with the provinces, is holding 40 training courses for more than 6,700 village unit and subward unit cadres. The military region command is setting aside a considerable amount of time to carefully discuss measures and, together with the localities, overcome deficiencies in guidance and create new changes in efforts to train military cadres who are ethnic minorities in 61 Central Highlands hamlets. The party committee echelons of provinces and districts in the region are also concerned with deploying cadres and party members who are sufficiently capable and have a high sense of responsibility to reinforce the military command structure at the primary level.

The Military Region 9 command together with party committee echelons and the military organs of the provinces are conducting inspections of the status of military organizations at the primary level and are increasing the number of party members and youth union members in the militia and self-defense forces. Following inspections in all villages, subwards, and enterprises, Tien Giang Province is rationalizing mobilized reserve forces and militia and self-defense forces, and is expelling substandard people from militia and self-defense organizations. Ben Tre is revamping the militia and self-defense forces in 135 villages and subwards; in particular, 14 maritime units and 24 militia and self-defense teams from the three coastal districts of Thanh Phu, Binh Dai, and Ba Tri have had the ranks of command cadres rearranged while they have simultaneously caught marine products, maintained combat readiness, and protected coastal security. Hau Giang has inspected and strengthened the militia and self-defense organization in 230 villages and subwards, and is expelling hundreds of substandard personnel from the force. The provinces of Cuu Long, Kien Giang, An Giang, and Minh Hai are inspecting deficient places, strengthening ranks of leadership and military command cadres, and creating new changes at the primary level.

Through inspection and revamping, Military Region 9 has provided 4,000 more party members, more than 20,000 youth union members, and almost 300 military personnel who have finished military service to the militia and self-defense forces, and has embarked on connecting this organization to the production collective and agricultural cooperative organization.

6915

CSO: 4209/352

IMPROVEMENT IN SOLDIERS' LIVING CONDITIONS ESSENTIAL

Hanoi QUAN DOI NHAN DAN in Vietnamese 20 Feb 87 pp 1, 4

[Editorial: "On the Living Conditions of Soldiers"]

[Text] To the genuine revolutionary, the ultimate objective of fighting is to improve continuously the material and moral lives of the masses. Uncle Ho once said: "My only and most ardent desire is to ensure that our country is independent, that our people enjoy complete freedom, and that every compatriot has enough food and clothes and is educated." To raise the people's standard of living continuously is both the goal of and condition for successfully accomplishing all revolutionary missions.

A specific and greatest responsibility of leaders and commanders at all echelons is to take adequate care of the masses' subsistence.

The same concept applies to our army. How much effort has been exerted and what result has been obtained by party committees, cadres, and party members at various echelons in ensuring the troops' subsistence are the yardsticks indicative of the sense of responsibility, virtues, and abilities of leaders and commanders.

Wherever good care is taken of soldiers, of their food, sleeping quarters, education, and entertainments, which makes them feel attached to their units and confident in the cadres and which sets their minds at ease and induces them to fulfill all missions enthusiastically—it can be said that the leaders and commanders of these units are responsible persons who love their troops and can really take action. On the contrary, wherever soldiers suffer from all kinds of shortage prejudicial to their health and wherever their cultural life is meager, which leads to numerous negative practices, we can infer that the leading cadres and commanders of these units are inept and have not fulfilled their duties.

If an action taken by leading cadres and commanders who take care of the soldiers' lives brings about a concrete result, it will be appreciated a thousand times more than flowery words about responsibility. The masses can hardly place confidence in cadres who speak to much but do little, who have bureaucratic manners, keep aloof from realities, fear difficulties, and when confronted by some obstacles, become helpless and let things take their course,

and who, worse still, are conservative, passive, and sluggish and who despite favorable conditions, continue to rely on and wait for a higher level decision instead of pondering problems and putting their hands to the plow to improve the soldier's lives. The masses highly esteem those cadres who, despite objectively unfavorable conditions (in border areas, and on islands, and due to the need for great mobility), wholeheartedly do their best and try by all means to ensure the soldiers' subsistence or who, at least, try to organize distribution with equity and with rationality and the profound spirit of hardship shared by cadres and soldiers alike.

Because of numerous difficulties in the present economic situation of our country, it is not easy for leaders and commanders to fulfill their responsibility for maintaining and continuously improving the material and moral lives of soldiers. But no matter whether circumstances are difficult or favorable, it is important that each cadre and party member should ask himself whether he has done his utmost to take care of the soldiers' lives.

At present, leaders and commanders at various echelons in many units still fail to display a sense of full responsibility in taking care of the soldiers' lives and are continuing to do their jobs with the "happen what may" concept. More at blame are those corrupt cadres who commit squandering and misappropriations to the detriment of the soldiers' rations at a time when the subsistence of their units suffers from shortages.

Speaking of the care for the soldiers' lives, we must not omit the need to struggle against such negative attitudes--a struggle which must be initiated immediately and personally by every leading cadre and commander. On the other hand, leading cadres and commanders must try to bring into play the sense of responsibility and creative spirit of the masses and to mobilize all their capabilities so that they may, by their own efforts, take care of the subsistence of their own units.

To do so is to act realistically during the movement to improve the qualities and working manners of cadres and party members according to the spirit of the resolution of the Sixth CPV Congress, during the movement to correct shortcomings after the self-criticism and criticism drive, and during this year's movement to purify the party and increase its combat power. To do so is to take practical action to build strong units able to fulfill all missions with the highest quality and effectiveness.

9332/12951
CSO: 4209/362

RADIO REPORTS ACTIVITIES OF VPA UNIT IN CAMBODIA

BK271540 Hanoi Domestic Service in Vietnamese 2330 GMT 21 May 87

["Article" by (Phan Thanh Din)]

Summary] To talk about youths of Group N-01, first of all we must talk about their will for revolutionary offensive, their willingness to endure hardships, and their heroism in combat.

"Since the 1984-1985 dry season campaign, the deeds of the youths of Group N-01 have been a vivid picture of the fulfillment of their glorious international duty.

"As a mobile unit of Group S-5 and of the whole front, the youths of Group N-01 have traveled thousands of kilometers from the northern to the northwestern part of the Cambodian-Thai border and have taken part in nearly all campaigns. For this reason, every time its troops march out, the unit achieves feats of arms.

"The unit's combat log book still records the time of scores of battles. For example, on D-Day plus 2, the unit attacked Pol Pot's base at Phnum Malai. After only 1 hour it raised a flag on Hill X, wiping out 54 enemies. On D-Day plus 3, the battle was barely over when the unit received order to rejoin Group S-5 and serve as its main force in attacking the general headquarters of the Moulinaka. After 7 days and nights of fierce fighting, the unit killed 297 enemies and seized 506 guns. The infantry detachments 1 and 2 and the engineers, reconnaissance, and military medical detachments outstandingly accomplished their missions, and so forth.

"On the inland battlefield, in a vast area of District X, Group N-01, together with the local people and armed forces, smashed enemy bases at (Lvea Pram), helped the Cambodian friends build the administration and armed forces in the northern villages of the district, and consolidated and trained guerrilla units comprising nearly 300 members."

Detachments 1 and 2 and the 23d and 19th Companies satisfactorily carried out mass motivation work, treated sick people, repaired roads and schools, and joined the Cambodian friends in propagandizing the line and policies of the revolution among tens of thousands of people.

The unit has set shining examples in combat and combat support activities. (Nguyen Thanh Huan), the late commander of the 16th Company, who was fatally wounded, refused to take medicine to save it for other comrades who were less seriously injured. Regimental Commander (Bui Cong Thao) and Battalion Commander (La Van Nho) were dynamic and energetic leaders loved by the entire unit. Youth Union members (Phan Thanh Son) and (Nguyen Van Luan) took part in many battles in which they always recorded notable exploits. (Phan Van Minh), a young party member and medic of the 23d Company, volunteered to stay on when his tour of duty in Cambodia ended in 1985.

In spite of their heavy combat duties and their busy schedule of activities in support of their Cambodian friends, the youths of Group N-01 always build for themselves an optimistic and joyous lifestyle. The young people of the group have really become the nucleus of various cultural, artistic, and sports movements. Several units of the group have gone to various hamlets and villages to help these localities develop three revolutionary movements and coordinate with the people in organizing song and dance classes and the study of Vietnamese and Cambodian, thus bring about a joyous life, especially in remote areas, and prompting the people to have more confidence in the revolution and to engage more enthusiastically in national construction.

/12232

CSO: 4200/598

HANOI TACKLES PROBLEM OF HIGH UNEMPLOYMENT

Hanoi NHAN DAN in Vietnamese 14 Feb 87 pp 1, 4

[Article: "Hanoi: New Stipulations on Population Redistribution and Labor Use On Farmland"]

[Text] Hanoi's population growth rate remains at the 2.1 percent level with a 2.36 percent increase in labor and more than 65,000 people unemployed annually. On the farmland of 12 districts and towns there are approximately 58,000 laborers without steady work.

Hanoi's division and use of labor are fraught with many constraints, revealing many shortcomings: labor is not being managed uniformly, the number of people out of work remains large, and use of labor is still wasteful; economic effectiveness is low. The number of laborers working in the small industry and handicrafts sector and trades accounts for 71 percent of the local industrial sector's labor but, because of the shortage of raw materials and supplies, and irrational systems and policies, the ability to retain labor in this sector is on the decline.

To get away from the difficulties in management and use of labor as soon as possible, Hanoi is stressing redistributing labor and the populace on the land of the outlying districts and bringing a large number of laborers into new land areas in Lam Dong.

Hanoi has been moving the populace to build new economic zones for more than 20 years. Initially, the operation was in the form of complete subsidy, the direction of production was slow to be determined, the life of the people took long to stabilize, and a number could not make a living and had to go elsewhere. Recently, Hanoi boldly changed the way of doing things, is making the best use of sources of capital, is boldly assigning land and forested hills to farming families, and is determining the direction of production early.

At Da Hoai (Lam Dong), the Hanoi New Economy Department together with the district party committee echelon and people's committee has satisfactorily made preparations for greeting people. Each family is given 10,000 dong for building a home and other projects, and can use 1,500-2,000 square meters of land for

making a garden. Concerning production, each family is assigned 1.2 hectares for growing coffee. Initially, grain crops were grown interspersed with coffee. Investment capital for opening the new land and for planting is given directly to the farming families. This method requires only an amount of capital equal to 20 percent of the rate of investment according to the state norm. Even in the portion of land for gardens the collective gives guidance and assistance in growing coffee and black pepper. Families that have just gone down are also planting 50 to 80 coffee trees while many that went down before planted up to 800 coffee plants, collecting more than 300 kilograms of coffee a year for propagation.

Grain was initially issued according to the system in economic zones. The people planted companion crops of subsidiary food and grain and, when products were available, supplied them in the form of exchange.

For the district level in the middle of where people are dispatched to where they are met, carry out investing capital in order to develop coffee plants. Determine the distribution of products when harvested based on the level of the contribution. Investing according to the norm of delivering directly to families, each district needs only 2 to 4 million dong in capital at the outset to work 200 hectares of coffee (meanwhile, 1 hectare of coffee now requires up to 100,000 dong in investment). The coffee growers receive seed and capital investment from the collective at the outset and are paid gradually through the sale of products at a price agreed upon by both parties.

The Hanoi municipal foreign trade sector monitors and helps the localities to organize harvesting and processing for export.

The method of centralized and complete investment induces the laborer to not stand by but to instead get started in production right away. For the state, there no longer is extended subsidy.

The Hanoi Municipal People's Committee has assigned the New Economy Department to meet skilled laborers who return to their old homes from Duc Trong and Da Hoai to do mass campaign work.

With the aforementioned specific measures, party committee echelons and administrations from the city to the villages are concentrating on satisfactorily redistributing the populace inside and outside the city to quickly create many workplaces for laborers to effectively overcome difficulties, first and foremost in grain and food.

6915

CSO: 4209/354

HO CHI MINH CITY SOLVING UNEMPLOYMENT PROBLEM

Hanoi QUAN DOI NHAN DAN in Vietnamese 27 Mar 87 p 3

[Article by Tran Dang Van: "Ho Chi Minh City: Three Methods To Provide Jobs for Laborers"]

[Text] After liberation, the former regime left behind a major after effect for the city: 700,000 unemployed and part time workers, 35 percent of the labor force. Hundreds of thousands of puppet soldiers were routed on the spot; tens of thousands of people from all over the south lived aimlessly in the city's alleys due to the previous U.S.-puppet policy of forcibly herding people into villages; tens of thousands of people, primarily youths and teenagers, were addicted to heroin and other narcotics, were prostitutes, etc. The production situation stagnated because most of the enterprise owners fled to foreign countries and the small number remaining had insufficient sources of production raw materials to provide jobs for the tens of thousands of unemployed workers. In this situation, the city was dynamic and creative in efforts to restore and develop social and economic activities, to resolve the unemployment left behind by the former regime, and to create conditions for attracting the additional youths reaching maturity each year. During the 10 years from 1976 to 1986, the city provided work for 1.3 million people, including 1 million with stable jobs; created a new labor atmosphere and new cultural life, significantly assisting in a new distribution of social labor; and built the city into an industrial and scientific center of the entire nation. The labor forces of the state-operated economic sector increased from 9 percent in 1976 to nearly 19 percent in 1985; labor in collective production and business facilities rose from 5.7 to nearly 20 percent; and the number of laborers provided jobs each year was greater than the year before.

To provide work for the laborer, what methods has the city employed?

Subprecinct and Precinct Are Levels Directly Providing Work

The subprecinct and precinct are the basic units with a grasp of each family and labor objective; and can closely follow population changes involving elements and movements as well as activities. If the subprecinct and precinct were used only in compiling and submitting unemployment figures to upper echelon agencies, there would be no effective. Therefore, Ho Chi Minh City considers the subprecinct and precinct levels as administrative and economic

management units responsible for organizing and managing a number of production units or a certain trade sector to take the initiative in providing jobs on the spot for the people within their own area of responsibility. To accomplish this, the city decentralizes responsibility for collective production and business cooperatives to the precinct and subprecinct. Relying on the policy of the state and city, the subprecinct and precinct step forward to mobilize the capital sources of the people for small industry and handicraft and service activities, creating conditions for broadly developing family economy; or in achieving joint enterprise and association cooperation between basic production units located within the area or between neighboring provinces and the precinct to create additional sources of raw materials and a product distribution market aimed at providing jobs and developing the strengths in knowledge and skill of the city's labor.

The experience of the city indicates that under conditions in which the state economic area is not yet capable of attracting many laborers, any precinct that give sufficient concern and takes the initiative to seek out every form of on-the-spot production, business and service can basically resolve the problem of providing jobs for the people, such as Subward 24 of Tan Binh Ward, Subprecinct 4 of the 11th Precinct, Subprecinct 10 of the 3rd Precinct, etc.

Organizing Occupational Training for the Laborer

Recognizing the problem above, the city during the past few years has strongly developed general occupational training for the laborers, first of all the youths and students reaching labor age and quitting school, assault youth, and troops reaching the end of their enlistment without jobs. The entire city has 18 occupational training centers in 18 precincts and districts which annually attract tens of thousands of laborers to meet the needs of state operated production units, cooperatives, and cooperative and contract teams. In conjunction with general occupational training, the city also emphasizes vocational guidance for the students of general middle schools, especially those in their final grade. Permission has been granted to private operators to teach classes on skills such as garment cutting and other services within the framework of the city's program guidance. The Le Thi Hong Gam, Go Vap and 11th Precinct vocational guidance centers have formed a partnership with 38 production enterprises in the area to accept tens of thousands of school seniors for participation in vocational guidance activities, coordinating vocational guidance with the production of social products. The Le Thi Hong Gam Center has sewn 220,000 suits of labor protective clothing, and has produced 15 tons of pastry. The Go Vap Center, specializing in carpentry, has accepted a contract for standardizing wooden furniture for schools.

Coordinating Employment With Labor Distribution

The city's population is presently too large for the development of industrial production due to the following factors: the after effects left behind by the former regime; an increase in the cadre, worker and civil servant forces of sectors and households following the requirements for new socioeconomic development; and the movement of people from other provinces to the city.

Since liberation, the city has advocated a campaign of returning those people forced to enter the city during the war to their former homes for production, while simultaneously moving people from the inner city to the suburbs and the eastern provinces to support rubber plantations. At the present time, the city is establishing new villages in the Duyen Hai region. The Municipal Ho Chi Minh Communist Youth Union has also motivated and organized assault youth forces to overcome the after effects of the war and to build a rich and powerful fatherland. The troop departure of 10,000 municipal assault youths on 28 March 1976 was a continuation of wartime assault youth traditions; a new step in activities for the youth of the south into the cutting edge of the mission to build and protect the fatherland during the new revolutionary period. This force effectively served in the war to protect the southwestern frontier and subsequently constructed many new state farms and residential areas outside the city such as An Ha, Pham Van Coi and Le Minh Xuan.

The experience of the city indicates that sending people from the city to build new residential areas is not only to produce grain; it is also necessary to develop the strength of labor building the new residential area with a suitable economic, industrial, agricultural, social, cultural, service, etc. structure to ensure stable employment and life. If neglected or organized inconsistent with the labor characteristics of the city, results will be limited or the people will return to the city.

Actual practice has proven that besides the essential methods of political and ideological education, the laborer is only truly contented with his job when the minimum conditions in food, clothing, housing, education, medical treatment, etc. for himself and his family are assured.

7300

CSO: 4209/437

PRODUCTION OF EXPORT GOODS BY ARMY UNITS URGED

Hanoi QUAN DOI NHAN DAN in Vietnamese 9 Feb 87 pp 1, 4

[Editorial: "Actively Participate in Production of Export Goods"]

[Text] Export is a strategically important task aimed at importing various kinds of materials and technical equipment necessary for the normal activities of national economy in order to achieve a balance between exports and imports gradually, to create a new equilibrium in production, and to stabilize living conditions. The Sixth CPV Congress has asserted that production of export goods is one of three major economic programs as well as a decisive factor in implementing other socioeconomic programs and tasks.

In compliance with the party and state policy, all sectors and localities have intently stepped-up exportation. Over the past 5 years, the exports value doubled that of the previous 5-year period. A substantial increase was noted in the exportation of certain goods exploited and produced by the tropical agriculture, such as marine products which increased fourfold, forest products which increased 2.5 times as much, and agricultural products proper which increased 2.2 times as much. The process of updating the apparatus and policy has greatly contributed to increasing the value of goods directly exported by various localities rapidly; on the average, this value accounted for 25 percent of the total export value obtained by the whole country in the past 5 years. Bringing their own strength into play to exploit their own potentials in equipment, manpower, and technical level, army units and national defense enterprises have produced many kinds of export goods, including mechanical, electronic, agricultural, marine, and pharmaceutical products, thereby acquiring a noticeable amount of foreign currency which they have used to meet part of their own requirements.

Despite these achievements, exportation is still replete with shortcomings and the amount of foreign currency derived from exports does not meet import requirements. Generally speaking, the export potential has not been fully exploited, many important categories of goods have not attained the planned norms, the practice of competitively purchasing goods for export and raising prices is still prevalent, and the policy for investing in the production of export goods and reorganizing exports and imports has not been correctly implemented.

The export goal set for the present and the coming years is to create some principal categories of goods and to increase the export value rapidly in order to meet in a large measure the need to import materials, machines, spare parts, and staple commodities. The 1987 export program has been under way, with a planned 16.4 percent increase in export value compared with 1986. The principal categories of goods have been indicated, including raw and processed agricultural products, and light and small industry and handicraft articles. To succeed in fulfilling these targets, it is necessary for central and local economic sectors to effect a vigorous change by updating their apparatuses and policies and by organizing the production of export goods in accordance with the existent potentialities and advantageous position of the entire country and each locality. The important task are to intensify the production of domestic goods while paying attention to broadening the system of contractual ordering of export goods; to manage tightly and use exportable goods economically to concentrate the bulk of important goods on the export fund of the state; and to guarantee the needs and legitimate interests of producers.

The actual situation in the past years has demonstrated that army units and especially the enterprises belonging to the national defense sector have the necessary conditions to participate in the production of export goods. Therefore, while satisfactorily fulfilling their combat and combat-ready duties, army units which possess the necessary abilities and conditions must, in the near future, actively participate in the production of export goods by taking the initiative to overcome difficulties, to use the existent land and manpower fully, and to organize production according to the motto, "use short-term plans to promote long-term ones, proceed from small to large scale, and do easy jobs first and difficult ones later on," in order to produce goods quickly to participate in exportation. To participate in exportation means to produce goods by oneself for export instead of buying export goods from other localities and acting as a go-between in export-import activities. Experiences drawn from units which have satisfactorily carried out export activities have demonstrated that to stabilize the production of export goods and to obtain high effectiveness, it is necessary to set forth a sound production guideline consistent with the conditions and economic strength of each locality and with the abilities of each unit. Enterprises belonging to the national defense sector must take into account the capacities of equipment and machines, the abilities of technical cadres and workers, and the conditions of supplies and raw materials in choosing and organizing the production of industrial goods suitable for export, thus satisfactorily performing production for the dual purposes of national defense and export. Because export goods must be of good quality, it is important to apply technological advances to production, to observe technical regulations in the production, preservation, and transportation processes strictly, and to intensify quality control to achieve high productivity and good quality of products.

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HAIPHONG ATTEMPTS TO INCREASE EXPORT PRODUCTS

Hanoi NHAN DAN in Vietnamese 14 Feb 87 pp 1, 4

[Article by Ghi Nhanh: "Haiphong Carries Out Export Merchandise Program"]

[Text] For 2 months now, the manufacture of products in Haiphong has undergone many changes, including work done in state-run, collective and family organizations. In December 1986 and January 1987, cooperatives on the outskirts of the city exported to the Far Eastern area of the Soviet Union 3,000 tons of cabbage, kohlrabi, and a number of other farm products. These organizations have bought more than 40 tons of peanuts for propagation from Ha Nam Ninh which will be planted to create areas of export raw materials. The Haiphong Pharmaceutical Corporation, in conjunction with the Thanh To State Farm and a number of cooperatives, is opening areas for growing oleaginous plants for export. The growing of other types of agricultural products (e.g. rush, pork, duck, and mushrooms) is also being expanded by the districts. The districts have, together with cooperatives and fishermen families, invested capital and equipment to augment the material and technical base and are adding nets and equipment to catch fish and shrimp. With this orientation, the island district of Cat Hai set a 1987 norm of catching 200 tons of raw shrimp (approximately one half the city's 1986 output of shrimp for exportation). There also have been new developments in the field of producing industrial, small industrial and handicraft goods, and assuming the processing in making export goods. Hang Kenh wool rugs, which have stood firmly in the marketplace of 15 countries around the world for scores of years, is adding more colors and new sizes with high quality to meet the new needs of the customer.

The federation of Haiphong footwear enterprises, which ended 1986 with five products earning the seal of quality (one product was given the high quality grade), has invested capital and technical equipment in order to add new items. In January 1987, Footwear Enterprise No 1 produced 30,000 canvas shoe tops for Czechoslovakia, 110,000 pairs of embroidered slippers, and 30,000 tops of shoes processed for the Soviet Union, more than double that for the corresponding period in 1986. The enterprise is concentrating on building 700 square meters of shop space and

setting up an operation to sew tops of leather shoes for the Soviet Union with a capacity of 400,000 pairs annually.

Forces producing export goods in production and family teams also made noteworthy progress. The Viet Long Cooperative, Le Chan Ward, with 30 cooperative members, produced thousands of plastic cups and bowls for export to Cuba. Mr. Dinh's family on Hang Kenh Street made between 300,000 and 400,000 meters of colored yarn to support the manufacture of embroidered goods for export. This product has customers coming from seven provinces in the north to buy it.

From the aforementioned movement of installations, the Standing Committee of the Haiphong Municipal Party Committee has more measures aimed toward accelerating the progress of export operations. For example, Haiphong has affirmed that it must work well with both market sectors, fulfilling the obligation to provide export goods to the central government while simultaneously stepping up exports to markets permitted by the state. The municipality regards the expansion of trade relations with the Soviet Union and socialist countries as the central task in foreign economic operations.

Several years ago, Haiphong's major source of export goods came from connections with a number of localities in the country. Now the municipal party committee is advocating expanding and stepping up the building of extensive and long-term sources of export goods which are familiar with the work and capable of strong growth, and have consumer markets. Concerning cabbage for export, Haiphong immediately anticipates producing 9,000 to 10,000 tons of cabbage for export during the 1987-1988 winter-spring season, an increase of between 3,000 and 4,000 tons over the level attained during the 1986-1987 winter-spring season. In addition to cabbage, it is expanding the area growing pepper and garlic for export.

Concerning rush and products from rush, this is one of the export crops Haiphong can vigorously expand. The municipality has two areas growing and processing rush -- Tien Lang District and Vinh Bao District. Other districts are also capable of growing and processing rush, a total area of approximately 1,200 hectares.

Topography and natural conditions make it favorable for Haiphong to develop marine products. With a view to increasing the amount and quality of marine products for export, Haiphong is advocating mobilizing capital among the people to increase the amount of marine machinery and nets for ocean fishing, expand the growing area in districts, and gradually boost the processing quality and preservation of products; in particular, it is devoting attention to facilities for preserving and transporting shrimp from the ocean to processing installations. In addition to shrimp, Haiphong is also giving attention to other types of marine products for export such as fish, squid, shark's fin, fish balls, fish sauce, and laminaria.

Pigs and poultry are the main items exported to the Soviet Union and other socialist countries. Haiphong is implementing effective measures to step up and expand installations for livestock raising such as applying the procedure of entering into processing contracts with the materials for livestock raising provided up front, as was tried in Tien Lang District. It is improving breeding and feed, and increasing the weight of pigs leaving the pen. It is applying technical measures and changing machinery and equipment involved in processing lean meat and in packaging and refrigeration. Haiphong has had enterprises for export poultry with fairly modern technical operations which could increase output with only the investment of more raw materials and feed.

In past years, Haiphong went through foreign trade to influence the return of the industrial, small industrial and handicrafts sector by using its foreign currency fund to import a number of technical materials, chemicals, and specialized equipment with a view toward stimulating the production of consumer goods and export goods.

Concerning processed goods, Haiphong is advocating supplementing the material base and adding equipment in order to quickly increase output and improve the quality of processed items such as ready-made clothing, leather shoes, wool rugs, jute carpets, gloves, fake leather, embroidered slippers, etc.

Haiphong is also attempting export and import on the spot and service to ships. The value increased remarkably in past years thanks to additional service to ships. Haiphong is concentrating on scraping off rust, painting, and making small repairs on ships, thereby creating more work for laborers while simultaneously increasing foreign currency income for the state.

The difficulty in carrying out the aforementioned solutions is the shortage of capital. Haiphong is advocating use of many forms: loaning capital, joint ventures, both domestic and foreign associations. The municipality hopes to have relations with localities, enterprises, and sectors within the confines of the municipality in order to expand investment in the production of export goods and to develop the strengths of each party. Because of the few sources of capital, Haiphong is advocating that wards possibly share in investments with districts, cooperatives, and private individuals in order to create sources of export raw materials. The municipality is encouraging overseas Vietnamese to invest foreign currency and materials through the municipality's existing organizations which are making export goods so as to jointly create export products based on the principle of both parties earning profits.

In the work the organizations are carrying out, the municipal party committee is assigning members of the standing committee to take charge of goods and assume ultimate responsibility from beginning to end when placing goods aboard ship for transport abroad.

FOOD SHORTAGES REDUCE SOUTH-NORTH TRANSPORTATION

Hanoi QUAN DOI NHAN DAN in Vietnamese 24 Mar 87 p 3

[Interview with Bui Van Suong, Chief of the Transportation Department of the Ministry of Transportation and Communications, and Director of the Central Transportation Coordination Center, by Xuan Minh: "In What Step is South-North Transportation of Grain and Food Stuck?"; date and place not given; first paragraph is QUAN DOI NHAN DAN introduction]

[Text] It has been thought recently that the many difficulties in transporting grain and food from south to north have been caused in part by a scarcity of grain and food, adversely affecting the lives of the cadres, troops and people. We met with and interviewed Bui Van Suong, Chief of the Transportation Department (of the Ministry of Transportation and Communications), and Director of the Central Transportation Coordination Center. Following is that interview:

Question: The annual requirement for transportation of grain and food from south to north is fairly large. What has been the response of the sector in the past?

Answer: During the past few years, the volume of grain and food transported from south to north has been great. This task has a bearing on regulating the source of agricultural goods between the two sections of the country, assists in stabilizing the lives of the cadres, troops and people, and serves economic development and national defense. Therefore, the communications and transportation sector annually concentrates equipment and forces for various transportation campaigns, of which the south-north transportation campaign has first priority. The volume of grain and food transported annually depends on the actual production and procurement situation. An example is the first quarter of a number of recent years: during the first quarter of 1985, the communications and transportation sector transported 66,670 tons, and during the first quarter of 1986, 76,800 tons. In the 1987 plan, the total volume of grain and food for transportation from south to north is 400,000 tons. Thus, it will be necessary during each quarter of 1987 to transport an average of 100,000 tons of grain and food to ensure the plan.

However, during nearly the first 3 months of this year, the transportation of grain and food from south to north has achieved extremely low results. During

January, the grain sector requested that 8,000 tons of rice be delivered north but only 1,100 tons were achieved. During February, the request was for more than 8,000 tons but only 2,670 were achieved. In March (up to the 10th), the entire sector has transported only 860 tons of rice to the north. The total transportation volume is about 5,000 tons of rice, answering one-fifth of the plan. In food, the state has assigned a plan during 1987 to transport 24,000 tons of fish sauce and various kinds of food made from marine products from provinces in the south to the north. During the first 2 months of the year, the railway sector transported 4,380 tons of fish sauce and processed marine products, and 586 tons of granulated sugar and canned milk, generally speaking only a little more than 10 percent of the planned level. The Sea-Inland Waterway Transportation Joint Enterprise, assigned to transport 1,000 tons of dehydrated soup and canned milk from Ho Chi Minh City to Hanoi, during the past 2 months transported 80 tons of dehydrated soup and 170 tons of canned milk, etc.

Generally speaking, the volume of grain and food delivered from south to north during the first few months of this year has not met planned requirements. This is also one of the reasons for the scarcity and high price of rice and food, adversely affecting the lives of cadres, troops and people in the provinces of the north.

Question: Why is the volume of grain and food transportation so low? Is it due to a shortage of transportation means and fuel?

Answer: Naturally, during the situation in which the economy of our country still has many difficulties, the operations of transportation sectors are generally also meeting not a few difficulties in equipment such as locomotives, freight cars, train engine coal, tires, gasoline and oil, etc. However, the primary reason for the low volume of south-north transportation is that there is no source of goods. Nearly all the transportation units must wait for sectors to collect and concentrate goods. Main force transportation units handling large volumes such as sea and inland waterway and sea units have virtually no goods to haul.

The total volume of rice recently transported north was handled by railroad because there was not enough rice to arrange for an oceangoing ship (except for one ship that transported 6,340 tons of corn for livestock feed). Thus, a situation exists in which seagoing ships traveling north must run empty, such as the Song Day and Dong Nai with displacements of 6,000 to 10,000 tons.

In reality, the transportation of grain and food from south to north during the past 3 years and the present situation indicate that the entire sector is capable of transporting 35,000 tons a month. During the first quarter of 1984, the sector transported an average of 45,000 tons per month, during the first quarter of 1985, 22,200 tons per month, and during the first quarter of 1986, 25,600 tons per month. Therefore, with sufficient goods sources, transportation would achieve much greater results.

Question: In the near future, to promote the transportation of grain and food from south to north, and assist in stabilizing the lives of the cadres, troops and people, what methods must be used?

Answer: To ensure the transportation of grain and food in the south, we suggest that the Ministry of Agriculture and Food Industry create a stable source of goods precisely according to plan so that transportation units can properly fulfill their mission. Concerning the communications and transportation sector itself, we will strengthen coordination and command aimed at firmly controlling equipment to ensure immediate transportation when sources of grain and food are available. At the same time, we will strengthen inspection and control, and severely deal with cases of negativism, waste and loss in the transportation of grain and food from south to north.

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DAC LAC COFFEE FIELDS NEED MORE WORKERS

Hanoi QUAN DOI NHAN DAN in Vietnamese 24 Mar 87 p 3

[Article by Minh Chuyen: "Dac Lac Coffee"]

[Excerpts] After nearly a month of traveling with a survey team to E H'leo, across to Dac Min, back to Ea Sup, and over to Krong Ana where the Thai Binh people stand shoulder to shoulder with the E De and Mo Nong people to create new villages in a high plateau region, we reached the Thang Loi State Coffee Farm, a state farm which is, according to the introduction, "prospering" in new operating procedures.

The road to the state farm from Buon Ma Thuot is winding and hidden under arches of green trees. On both sides of the road is a wide coffee forest. The coffee trees spread broadly to tightly embrace each plot of ground and the young and glossy green leaves reach eye level. Accompanying us, Vice Chairman of Dac Lac Province Agriculture Nguyen An Vinh, spoke up when we encountered a region of highly mounded and not yet pruned coffee trees that covered even the command car running underneath.

"Look at that. Never has the coffee been so beautiful as it is this year. Like this region, Dac Lac each year strives for more than 30,000 tons of coffee with no difficulty. The change in a central highland province like our Dac Lac during the past few years is that the coffee crop has an extremely important significance."

I recalled the results of surplus coffee seasons reviewed on the afternoon of the previous day by Vu Hung, Deputy Director of the Dac Lac Confederation of Coffee Enterprises.

After liberation, the entire province of Dac Lac had only a little less than 3,000 hectares of old and weak coffee trees in a degenerating condition. Nevertheless, by 1986 the area of harvested coffee was more than 22,000 hectares. Naturally, there is a gap in comparing these figures with estimates for future years. However, in speaking of yields, if only a few quintals were harvested over an insignificant area after liberation, Dac Lac coffee during the past few years has reached 12 or 13 quintals per hectare. Dac Lac is not only a well-known product within the country but also in the world. Vu Hung

said that all the countries importing Vietnamese coffee increase the price by 20 percent if the lot is from Dac Lac.

More than 800,000 hectares of faded red basalt soil is more than 800,000 hectares of crops. First of all, efforts are made to have 150,000 hectares of rubber, 80,000 hectares of coffee, and 20,000 hectares of grain crops, and to harvest more than 1 million hectares of forest. To achieve these realistic objectives, besides other determining factors, Nguyen An Vinh stated that the labor issue for Dac Lac is still poor, meaning that in his opinion, there is still a great shortage compared with the potentials that must be exploited. Therefore, immediately and throughout the coming years, Dac Lac will open wide its doors to greet 200,000 to 250,000 laborers coming down from Thai Binh, Thanh Hoa, etc. to settle there. The Dac Lac coffee crop has provided 20,500 tons of coffee beans annually, 60 percent of the coffee output for the entire nation, of which export coffee occupies a fairly major position, clearly affirming where the importance of Dac Lac economic potential should be placed.

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SUBSIDIARY CROP AREA EXPANDED OVER LAST YEAR

Hanoi NONG NGHIEP in Vietnamese 25 Mar 87 p 1

[Text] So far, localities have planted 457,920 hectares of subsidiary crops nationwide, an increase of 37,850 hectares over the area planted during the same period last year. Thanh Hoa, Nghe Tinh, Binh Tri Thien, Ha Nam Ninh, Dong Nai, An Giang, and Tay Ninh Provinces concentrated on developing subsidiary crops and succeeded in planting 20,000 to 30,000 hectares of all types of subsidiary crops for the winter-spring season.

Upon entering the winter-spring season, localities went out to inspect the soil and reinforce the crop-work structure for all types of subsidiary crops appropriate to each type of soil and the level of intensive cultivation in each place.

With this winter-spring crop season, localities have concentrated on expanding the area for raising corn and so far have planted 77,700 hectares, a 29 percent increase over the same period last year. Ha Son Binh, Thanh Hoa, Hai Hung, Dong Nai, and Dac Lac Provinces established high-yield corn crop regions, and much effort is being invested in fertilizing and planting before high yields can be achieved. Ha Nam Ninh expanded the area of spring corn in seed beds by using new varieties: MSB49 and TSB2. Nam Ninh, Tam Diep, Vu Ban, and Y Yen Districts, Ha Nam Ninh, provided cooperative members advances in nitrogen fertilizer to encourage them to cultivate corn intensively. So far, Ha Nam Ninh has planted 2,210 hectares of corn.

Cooperatives and production collectives also planted 193,350 hectares of sweet potatoes, a 10,300 hectare increase over the same period last year. Thanh Hoa Province has planted 10,800 hectares of sweet potatoes, surpassing planning goals by 35 percent.

This season, localities have stressed the introduction of new varieties of corn, sweet potatoes, potatoes, and beans and stressed planting them as the main crop. For planting the majority of their cultivated area, many localities in the north introduced new high-yield varieties, such as MSB49, VM1, and TSB2 corn varieties, sweet potato varieties Nos 6, 8, and 59, and the Viet Duc variety of potato.

Installations also concentrated on the intensive cultivation of all types of subsidiary crops. In Hai Hung, Thai Binh, Ha Nam Ninh, and Thanh Hoa Provinces, cooperative members spread 7-8 tons of stable manure per hectare of corn or sweet potatoes.

9830

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EXPORT SITUATION REVIEWED, NEW GUIDELINES PROPOSED

Hanoi QUAN DOI NHAN DAN in Vietnamese 9 Feb 87 p 3

[Article by Viet An: "Some Current Problems about Production and Trade of Export Goods"]

[Text] Exportation is a major economic program the result of which will have an important and significant effect on the implementation of other socioeconomic programs and tasks. Though some noteworthy progress has so far been made in the production and trade of export goods, several problems remain to be examined and solved.

What Do the Value and Composition of Exports Indicate?

If we keep track of the result of exportation during the past 10 years, we will easily find that the export value has increased considerably but unsteadily. Great increases were achieved in the first few years of the 1976-1980 plan: 70 percent in 1976 compared with 1975, and 40 percent in 1977 compared with 1976. The increases were still substantial in 1982-83 but slowed down during the last 2 years of the 5-year plan. The year 1986 registered an increase only of about 14 percent over 1985. Generally speaking, the export value in the last 5 years doubled that in the previous 5-year period but accounted for only a small percentage of the import value while the export-import ration rose only 10 percent in the last 5 years. This state of affairs can also be seen clearly in the composition of export goods. While the marine products increased fourfold, that of small industry and handicraft articles increased only 1.4 times and that of heavy industry, agricultural, and forest products increased only 2 to 2.5 times. Statistics on the export value of each category of goods show that only 7 categories reached 21 million-odd rubles/dollars and that only 7 others ranged between 11 and 20 million rubles. In the merchandise composition, agricultural products accounted for about 36 percent, small industry and handicraft products about 35 percent, marine products about 11 percent, and the remaining percentage was shared by heavy industry and forest products.

Considering these two factors--export value and composition of export goods over the past years--the overall picture shows no fundamental change in exports. Most conspicuous is the failure to exploit fully and develop the

national economic potentials, in general, and the strong position of each sector and locality, in particular. On inquiry into the situation in certain sectors and localities, we found that it has many prevalent and lingering causes, such as insufficient and nonuniform investments, the shortage of and disproportion of material supplies, and failure to meet production requirements and to fix reasonable purchase prices. This was rather obvious in 1986 when the fulfillment of plan norms assigned at the beginning of the year was 12.5 percent short because of lack of the requisite goods. Disproportion can also be seen in many other areas. For example, the amount of foreign currency reserved for imports fulfilled only 40 percent of the planned norm, the materials used as exchange goods to purchase products and stimulate exportation met only 60 percent of the quantitative requirements, and the domestic materials supplied to produce export goods were insufficient, with many of these materials meeting only 10 to 60 percent of the demands. Despite a planned norm of 600 tons, not the least amount of kenaf was supplied to the mat-producing sector so that production installations had to buy kenaf at negotiated prices and even by this method, could meet only 50 percent of their need for this material. Despite continuous adjustments, state purchase prices failed to keep pace with the rise in domestic market prices, such as from 9 to 85 dong per kilogram of soybeans, from 9 to 24 dong per kilogram of unhusked peanuts (bought at the state-mandated price in exchange for material supplies), and from 35 to 96 dong per kilogram of coffee which was difficult to purchase even in exchange for material supplies. When we asked some local sectors about what should be done to increase the export value rapidly and to create some principal categories of export goods to increase the economic effectiveness of the export-import trade, the consensus was to make uniform investments, to pay attention to concentrated production regions, to raise material supply funds necessary to production, to supply enough materials for production, and to make purchases in accordance with general, uniform economic-technical norms consistent with an appropriate pricing policy. Though different opinions have been expressed, everyone is deeply concerned about another problem--that of managing exports and imports.

Coexistence of Two Apparatuses

In addition to the apparatus long applied to export-import installations in our country, various localities and sectors have in the past few years been allowed to export and import goods through a different mechanism temporarily called "soft apparatus." The principal objective of this apparatus is to authorize these localities and sectors to import provided they can export, to turn around their capital quickly, to use the profit made from imports to compensate the loss incurred by exports by insuring that the composition of imports corresponds to the demands and characteristics of each sector and locality, and to buy and sell export-import goods at negotiated prices.

So far, actual facts have demonstrated the positive aspects of this apparatus, as evidenced by the ability of the marine product sector to take advantage of exports and imports to acquire additional foreign currency to meet its own needs and gradually to restore, maintain, and develop production. By implementing this apparatus, many localities have stepped-up the production of export goods, especially agricultural and marine products, in the collective and household economic sectors, and have exploited some forest products intensively.

Certain localities have created concentrated production areas, restored traditional occupations, and partly solved problems relating to the socio-economic situation in which many lingering shortcomings have not yet been overcome in any way.

However, the implementation of this "soft apparatus" has also had its negative aspects. In the domestic market, when there is one seller, there are many buyers; in the foreign market, when there is one buyer, there are many sellers. This has led to competitive purchase and sale, price hikes, frantic purchase of domestic goods, and a price war in the foreign market, which has prejudiced the common interests of our entire country--not to mention the emergence of many negative practices in the process of producing, purchasing, transporting, exporting, and importing goods.

As for the mechanism, temporarily called "hard apparatus," which was created earlier and has been operated over since it has not led to these negativism but has suffered from other limitations. Managers have relied mostly on administrative measures and paid little attention to economic ones. In general, the interests of production installations have not been guaranteed and their income has not covered expenditures, which has made it difficult for the state to make up for the losses incurred by these installations. This situation has reduced the effectiveness of the role of the foreign trade sector as a lever to boost production and improve living conditions.

Realities have demonstrated the need to examine, improve, and update both these apparatuses before building a uniform and suitable mechanism. This opinion has been expressed by people we met in many sectors and localities. Clearly, now is the time to implement a new apparatus composed of an organizational system and a managerial statute, and involving various policies, in order to develop the positive aspects, to limit the emerging negative practices, to manage exportation and importation uniformly, and, simultaneously, to encourage all sectors, localities, and installations to produce export goods.

The Question of Who Should Manage Foreign Trade

Ever since the "soft apparatus" was applied, various localities and sectors which directly manage export-import have created two forms of foreign trade organization to represent central and local interests. Consequently, whenever the amount of foreign currency earned by localities increased rapidly, that which was earned through export by central agencies would decrease while they still had to meet the basic needs of the entire society. As a result, in 1986, the amount of foreign currency earned through export by various localities increased 35 percent compared with 1985 while that earned by the central level increased only 3.5 percent--12 percent below the planned norm. This situation was accompanied by an increase in the size of the foreign trade task and of delegations and personnel going abroad for commercial negotiations. This happened at a time when both the export value and volume of export goods showed only a negligible increase or remained stagnant. Market disruption in terms of prices and merchandise availability was also caused by the following situation: Though not producing a given category of goods, one locality managed to acquire it for export while another raised prices to buy up goods from other localities and sectors.

In view of this situation, the question of who should manage foreign trade was raised in many areas. In 1986, a new method was applied: While some provinces and cities directly handled exports and achieved a higher norm than in the previous year, six or seven other provinces did not directly export goods but reverted to the old method of entrusting exportation to commercial installations; another six or seven provinces reduced their direct-export value (some by more than a half) in order to shift to the method of entrusting exportation to commercial installations. This must not be taken as the only pretext to do away with the direct-export formula applied by various localities. Nevertheless, from the actual situation in the past few years the need has arisen to manage and conduct export-import in such a way as to achieve high effectiveness and simultaneously to step-up the production of export goods and ensure the appropriate interests of all sectors at all levels.

Compared with 1986, the export-value norm set for 1987 is estimated to increase 16.4 percent to serve as a basis for implementing the export program formulated by the Sixth CPV Congress. To ensure successful implementation of this program, the immediate task is to manage the export-import plan uniformly, with the state in a position to grasp the output of important export goods and to achieve the necessary export value. Meanwhile, export-import organizations must be streamlined by regrouping centers dealing with the nonsocialist market and by clearly determining the categories and percentages of goods to be delivered to the central level as well as those to be exported by the localities themselves.

For their part, state agencies must make uniform investments, maintain material supply funds, provide enough materials for production and purchase purposes, give due encouragement to producers, ensure that installations and producers make a profit to expand reproduction and stabilize living conditions, set aside the necessary amount of foreign currency to promote the production of export goods, have enough cash at their disposal to make purchases, and prevent all sectors from withholding and then exporting their products to earn foreign currency to meet their own need for imports as they did in the past. Concerning those goods which localities are authorized to export, a fixed percentage of their export value must be paid to the state.

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LABOR REDISTRIBUTION PLAN IMPACTS THANH HOA AGRICULTURE

Hanoi NHAN DAN in Vietnamese 12 Feb 87 pp 2, 4

[Article by The Nghia: "The Consequences of Trips and A Land Area"]

[Text] Knowing Mai Xuan Ninh, vice chairman of Thanh Hoa Province, was coming from Dac Lac, I enthusiastically met him for a pleasant talk. Outside, everyone was delighted and waiting for the group to come to learn the initial results of the economic zone the province had opened.

"Disbanded, sir! A bust. Almost 1,000 young men and women have returned to Thanh Hoa in the last month. When our group did not go down to reinspect, the men and women got very troubled."

Mr Ninh shook his head in discouragement and told me about this unfortunate affair. It was really unexpected. A big thing suddenly like a joke. The organization of nearly 1,000 personnel which had gone south in several train trips to build the new economic zone had disbanded in less than a year. What a waste. The new name Dac Thanh District intended to give this new economic zone would disappear.

"How is that?" I quickly asked.

The provincial vice chairman grumbled. "Oh, my God! We dug wells 4 meters to get water for cooking and drinking. Hundreds of man-days. We even had to use explosives, yet to no avail. The land for subsidiary food crops is very shallow, roughly 10 centimeters. What can you do? Living is filthy. Fortunately, old women and children did not go down."

I understood his frame of mind at this time since he, because of the people and responsibility, faced reality. And it was still very early to sort out the reason and quickly draw, if not a lesson, a "half page" of experience. Let's figure out the simple math problem: nearly 1,000 people, going more than 1,300 kilometers, food, clothing, belongings, supplies, equipment, and tools; this is an amount of capital equal in value to a medium-sized enterprise's gross output, almost gone in a year. But much more damaging is the loss of confidence of the people who sent their children to establish the new homeland in vain.

"Speaking frankly so you understand, tens of thousands of laborers from provinces up north have gone south to build new economic zones and some places have done well. Hanoi with Lam Dong, Ha Son Binh, and Hai Hung, Ha Nam Ninh with Dong Nai, Song Be, and Minh Hai, with thousands of Thanh Hoa people included. The failure at Dac Lac is because we deviated from the land area project and were subjective in surveying the area from the very beginning. And friendly provinces were not unsympathetic to Thanh Hoa."

This is the opinion of Mai Chanh, the deputy chief of the organization department of the provincial party committee, the one who was sent down to deal with bringing the men and women back.

Building new economic zones in the south and north of the fatherland is the correct strategic policy of our party and state. This is the division of social labor in the agricultural economy which has been affirmed since the party's Fifth Congress. But which way to go, how to organize to stabilize the lives of the people, and how to invest to develop a balanced, rational production are not things which must be weighed and calculated. Meanwhile, Thanh Hoa--according to data from the Land Management Department--still has nearly 10,000 hectares of farmland in the delta, midlands, mountains and coastal areas which have not been put to use. In 1985 and 1986, the province's Communist Youth Union recommended establishing a state farm on the land of the mountain region district of Nhu Xuan. Fallow land and labor are available but have not been approved. Two months ago I had the opportunity to go with deputy secretary of the provincial party committee, Vu The Giao, to the districts near the midlands and coastal area of Thanh Hoa. The alkaline land area of Quang Xuong and Nong Cong is more than 1,000 hectares. There, farmers intensively cultivate two crops of rice and rush, but the green color seems like "leopard skin." Some plots are rice, some are rush, dreary looking! The alkaline, muddy fields have rice yields of only 1 to 3 tons a hectare for each crop. Yields are fairly high for rush there. Although there is no emphasis on intensive cultivation, 7 or 8 tons per hectare are recorded each year. I asked several farmers who were plowing and transplanting 5th-month rice, "Is it more profitable for you to grow rush or rice in this area?"

A woman stood hesitantly, not answering. But then she spoke straightforwardly even though the director of the cooperative and the secretary of the party chapter were there.

"Yields are high with rush. It takes a lot of man-days and it's hard work, yet losses are big. For a sao of rush the cooperative assigns 35 man-days for care, harvesting, and preliminary processing. The value of a man-day figured in paddy equivalent is 0.4 kilogram at 2.5 dong in cash. The contract norm for each sao of rush is from 200 to 250 kilograms of preliminarily processed raw material delivered. For 100 kilograms of preliminarily processed raw material the state pays 50 kilograms of paddy. One thousand kilograms of rush is issued 70 kilograms of nitrate fertilizer. This works out to a sao of rush realizing 165 kilograms of paddy per crop. The yield for two crops of rice on this area is almost equal to a single crop of rush, but the man-days for rush are three times those for rice."

So it is obvious. The distribution policy and system in the Quang Xuong District rush area is irrational and thus does not stimulate the farmer. It knows that ignoring rice is damaging and being caught up in rush is criminal, but so what. To make the policy and system more rational in production is the routine of cooperatives. The problem is that the directors and secretaries in the cooperatives in this area are craving more labor. The Ngoc Nhi Cooperative has only 320 laborers intensively cultivating 68 hectares of rice and 66 hectares of rush. If one figures 25 laborers to work a hectare of rush, Ngoc Nhi must have 165 people.

"Quang Xuong is moving 124 laborers to Dac Lac Province to build the economy," I noted to the deputy secretary of the provincial party committee. He enthusiastically stated, "In 1981, the village of Ngoc Nhi sent into the southern provinces 40 households and 1,200 people. The district's present rush area has had 338 hectares put into business, belonging to the villages of Quang Chung, Quang Chinh, Quang Khe, Quang Vong and Quang Phuc. The remaining area has places that are being cultivated and places that are fallow because there are only 7,500 laborers out of the population of 20,000. If all is farmed, the district will raise the rush area to 600 hectares. Moving people to build new economic zones is a great policy of the province. Much effort has gone into the southern provinces to form new economic zones and new hamlets. So far, many families have done okay in this. In the 1986 drive, the province mobilized youths from the districts of Hoang Hoa, Dong Son, and Quang Xuong, and Thanh Hoa City to go to Dac Lac, but they had to turn back."

We stood on the back-up dike of the Quang Xuong rush area. There were good plots flooding the tops, there were many places where the rush was short and plump, intertwined, begging to be woven, and there were many places still left fallow. The district cadres said that the back-up dike which had long kept the alkaline water between the two fields of rice and rush was not a breakwater because it was within the field. Now laborers have been dispatched to improve and divide it into plots for intensive cultivation. Surely the investment on each hectare is 10 times cheaper than the investment on new land areas.

This makes a great deal of sense. Naturally investment in back-up dikes in the sea to break waves is less costly, but no land is obtained. Land is the absolute property of man. Talking as they do, the desire is for existing land and working "from day to day" has exploited everything everywhere. Right now Vinh Loc District still has up to 700 hectares of land which are lying fallow. Left for many years, these fields have been dubbed "Open Thicket." Trinh Thai Dan, secretary of the district party committee, told me, "Don't condemn the land of the people there. The villages surrounding that field have struggled for several years to gradually take on more land for transplanting 5th-month and spring rice, doing well every year. The district encourages the workers. Whoever wants to work a great deal can; it depends on his strength. It is a pity that there are no laborers to do the farming. The farmers in this area affirm that the "Open Thicket" for transplanting a 5th-month and spring rice crop is sure to be a success. For the 10th-month crop the floodwaters of August and September could be used to introduce jute. However, there must be capital to do water conservancy, to block floodwaters, and to distribute the flow of the Buoi River above Thach Thanh."

The day I met Phung Si Cac, secretary of the Hoang Hoa District Party Committee, he was discussing the coastal economic zone at a conference of the provincial party committee's executive committee. He submitted fairly interesting data.

"Hoang Hoa has 2,000 hectares of good land lying fallow. In the coastal area, the district struggled for several weeks with 5,000 people to build a back-up dike 5 kilometers long to contain brackish water and got scores of hectares for raising shrimp. By 1990, Hoang Hoa will have at least 500 to 700 hectares for raising brackish water shrimp. There now are two trends. If "perpetual" dikes are built, few sea mayflies get in and the shrimp output is not as high as building temporary dikes. But temporary dikes are damaged by flooding and must be rebuilt. Because of this, in order to be sure and to stabilize the raising of marine products, we build well-built dikes with somewhat low shrimp output but without having to rebuild them many times. The district recommends that the province quickly study whether funds for opening new lands should be given to the district for its management and investment."

Thus, in Thanh Hoa Province the coastal area has brackish water shrimp and rush, the midlands have jute, and fallow land is extensive. There is plenty of work. Some things have not been promptly done over the past several years or, to say it more correctly, opening up one area has meant letting another lie fallow. The essential thing is that the provincial area is only a little more than 11,000 square kilometers (of which there are only 270,000 hectares of double crop riceland) and holding fast to a population of up to 3 million in the coming years. Now the province is formulating three great economic programs. In the future, one cannot but discuss the population program and new economic zones. Just think, wherever there are errors make correction. The plan to move people to build new homelands can only progress and get better; regression is not permitted.

6915

CSO: 4209/352

HOME TRADE SECTOR LIBERALIZES POLICY ON GOODS CIRCULATION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 28 Mar 87 pp 1,2

[Article by T.Q.T.: "National Home Trade Sector Conference in Ho Chi Minh City Publicizes New Policies on Expanding Circulation of Commodities"]

[Text] SAIGON GIAI PHONG--On the morning of 27 March, at a conference held by the Ministry of Home Trade in Ho Chi Minh City, 40 directors of trade services of 40 provinces, municipalities, and special zones, along with many leadership cadres of important trade units from the central to local levels nationwide, listened to the publication of the newest policies regarding "the urgent problems of distribution and circulation." These policies have only recently been passed by the Political Bureau and the Standing Committee of the Council of Ministers between 10 and 12 March.

The policies emphasize that expanding the circulation of commodities is now the urgent task aimed at the goals of regulating supply and demand, reducing the rate of price increases, reducing budget deficits, and reducing inflation, in order to reduce difficulties in the lives of working people.

The new policies on circulating supplies and commodities are:

--Circulation is prohibited only for merchandise determined by the Council of Ministers (which will soon be published on a new list, to replace the old one).

--The exchange of material supplies and raw materials between producers will be put into practice in the spirit of enabling producers to exchange surplus and scarce materials and raw materials with each other.

--Other goods will be freely circulated.

The new policies toward economic elements engaged in established circulation activities are as follow:

--After meeting tax obligations and fulfilling contracts with state economic organizations, the producer (collective or individual) is free to circulate commodities that remain, without restrictions regarding quantity or market (they can be transported from one province to another, from the south to

central Vietnam or to the north, or vice versa). Local authorities are to provide good management to these people, inducing them to sell in markets and collecting taxes right at the source or on the spot. Cattle markets will be restored. Producers who open fixed outlets and sell merchandise on a regular basis must register their businesses like other merchants.

--Private merchants must register their businesses, obtain a permit from the state (they can only receive permission for retail sales of industrial consumer goods, including small industry and handicrafts merchandise), and must pay taxes. Long-term permits are given to private merchants to sell fresh commodities, local subsidiary farm produce, and family sideline handicrafts products. The state arranges contracts with families that do a large amount of business or are highly technical, especially in public food and beverages, services, and fresh produce. As far as small-scale merchants are concerned, they must register and prepare gradually to change over from a simultaneous marketing and production or service operation to transferring an element to production and service.

--As far as people doing business in non-commercial imports are concerned, if socialist businesses wish to purchase whatever merchandise they possess, except commodities prohibited from import (such as narcotics, liquor, or decadent cultural products), it will be on the basis of entering into true bilateral agreements. Inappropriate regulations on customs collections for non-commercial imports must be abolished. Families with acquaintances in foreign countries should be encouraged to have them send raw materials, parts, components, and small machinery used to make consumer goods.

State economic organizations must provide good services for mailing and receipt of commodities so that most non-commercial commodities can be purchased at the agreed price directly from the source.

Vietnamese emigrants and Vietnamese working abroad who want a home in Vietnam should send money, materials, or goods back to service organizations of the state. The state will change inheritance laws to permit persons in foreign countries inheritance rights.

At this nationwide conference of the home trade sector discussion continued on how to urgently put the great policies above into concrete terms in the interests of popularization and implementation. At the conference, the Ministry of Home Trade directed: "A quarter has passed, but the pace of plan implementation is very slow. The problem confronting the entire sector, each locality, and each unit is, based on the common mission above, to select and immediately perform the work that does not depend greatly on material conditions that must be provided by the state, but to engender positive results to reduce imbalances in supply and demand and reduce the rate of price increases and to work aggressively and with initiative and emphasis, without waiting.

9830

CSO: 4209/426

SONG BE DEVELOPS HOUSEHOLD, PRIVATE ECONOMY

BK241601 Hanoi Domestic Service in Vietnamese 2300 GMT 24 May 87

[Text] The People's Committee of Song Be Province recently decided to adopt some policies on developing household and private economies. The contents of the policies say: The organizations of household economy, secondary household trades, and private economy are authorized to conduct production and business in some trades and jobs and services, mainly handicrafts and artisan industry, agriculture, and communications and transportation, and some services in the distribution and circulation and cultural and social domains.

The provincial authorities encourage the laboring people, workers, and civil servants to use their idle time to develop household economy in a way suitable to the soil conditions of each locality.

Besides the land of the families, the provincial authorities authorize the people and collectives to get or borrow land, ponds, and grasslands which have not been used in localities on the average of 1 hectare per capita. The state agencies, economic units, and laboring people are also encouraged to borrow those pieces of land on which agricultural crops cannot be grown, in order to carry out afforestation.

Household secondary trades and private economy are authorized to make full use of available raw materials and discards to produce consumer and export goods. Workers are authorized to buy machinery, equipment, utility trucks, passenger buses, and ordinary transportation facilities to support production and transport passengers over short distances.

In the domains of circulation and social culture, Song Be Province advocates the policy of eliminating bourgeois trade and encouraging some components of small merchants to shift to agricultural production handicrafts and artisan industry, and service sectors. Excluding the commodities placed under unified state management control, private traders are authorized to conduct long-distance business, open shops at markets and at home to sell secondary agricultural and local products, and handicraft and artisan industry products turned out by private individuals.

Physicians and doctors are authorized to examine patients and professors to organize private classes in off-duty hours in line with the general regulations of their sectors.

Along with the aforesaid policies, Song Be provincial authorities clearly stipulate the responsibility, benefits, and rewards and punishment system of primary handicrafts and artisan industry installations and private individuals in developing household and private economies.

/12232

CSO: 4200/600

BRIEFS

FOREIGN TRADE SECTOR IMPROVES--Vietnam's foreign trade sector is cooperating with the UN Development Program to carry out a project for pre-export quality control and goods inspection, including the determination of the content of anatoxin in export peanuts, the separation of main ingredients of citronella oil, the improvement of efficiency in the distillation of anise seed oil, the determination of the melting point of export Yellow Star ointment, the preservation of freshness of vegetables and fruits, the upgrading of the quality of frozen shrimp, the improvement of clothing patterns to suit the current fashion, and so forth. The implementation of this project has initially helped improve the capability for quality control of some domestic enterprises, improved the marketing potentials and commercial position of some of our export items, and increased foreign importers' trust in the product quality certifications of Vietnam's Export Product Quality Control Organ. [Text] [Hanoi domestic Service in Vietnamese 0500 GMT 25 May 87 BK] /12232

SOUTHERN PEASANTS FIGHT DROUGHT--Peasants in southern Vietnam have completed the harvest of winter-spring rice with a yield of 4 [metric] tons per hectare. They are concentrating on transplanting summer-autumn rice. In Long An Province alone, 370,000 hectares have been put under summer-autumn rice. Peasants in southern provinces are fighting hard against drought to ensure success of their crop. [Text] [Hanoi International Service in English 1000 GMT 26 May 87 BK] /12232

INSPECTIONS PROHIBITED--Regarding policies on expanding circulation of commodities in the spirit of Resolution 80 of the Council of Ministers, on 23 March 1987, the municipal public security forces released a directive strictly prohibiting all control stations of the public security sector on roads and waterways entering and exiting the city and at communications hubs within the city from stopping traffic and searching vehicles, to include searching baggage of people on the street. These public security units can only perform their established functions of ensuring traffic order and safety. When persons violate traffic laws, the public security forces only have permission to prosecute minor violations. When it is necessary to search vehicles or luggage, the public security forces must have a warrant from the public security leadership at the level with authority. Along with this decision, the municipal public security forces instructed public security units to carry out their missions of managing personal and household registration and to depend on the people and mobilize the people on the basic level to fight speculators, black marketeers, counterfeiters, and unauthorized merchants, and absolutely not conduct searches on the streets. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 29 Mar 87 p 1] 9830

SOCIAL

VIETNAM

ASIA-PACIFIC TRADE UNION SEMINAR HELD ON WOMEN'S ROLE

BK281354 Hanoi Domestic Service in Vietnamese 1430 GMT 25 May 87

[Text] A seminar of the Asian-Pacific Trade Unions on women's labor role in socioeconomic development was held 24-25 May in Haiphong municipality.

Attending the seminar were delegations from 23 trade unions of 15 countries namely India, Bangladesh, Cambodia, Laos, the Soviet Union, Mongolia, Japan, New Caledonia, New Zealand, Australia, Philippines, Solomon, Sri Lanka, Thailand, and Vietnam. Representatives of the World Federation of Trade Unions and the Asia-Pacific Trade Unions Coordination Committee also attended the seminar.

Comrade Pham The Duyet, chairman of the Vietnam Confederation of Trade Unions; Nguyen Thi Dinh, chairman of the Vietnam Women's Union; and Truong Quang Duoc, chairman of the Haiphong Municipal People's Committee attended and addressed the conference.

During their 2-day working session, delegates to the seminar discussed various issues relating to women laborers such as their work, wages, education, training, and promotion as well as role and responsibility of various trade union organizations in taking care of, improving, and protecting interests of the working women.

/12232

CSO: 4200/601

SOCIAL

VIETNAM

BRIEFS

AN GIANG TORNADO INJURIES--Hanoi VNA 26 May--A tornado with winds of more than 100 kilometres per hour and a heavy hailstorm have battered some areas in the southwestern province of An Giang, injuring 40 people, including 25 children. According to initial reports, 288 dwelling houses were razed to the ground while the roofs of 179 others were ripped off, making thousands of people homeless. Twenty six public offices, warehouses and schools were also destroyed.
[Text] [Hanoi VNA in English 0712 GMT 26 May 87 OW] /12232

CSO: 4200/601

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